

# Performance Auditing in Zambia

*From a Policy Transfer Perspective*

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# **Performance Auditing in Zambia: From a Policy Transfer Perspective**

A Cooperation Project Between the Office of the Auditor General of  
Norway and the Office of the Auditor General of Zambia

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Policy Transfer from Norway to Zambia: Auditor General Performance Auditing

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# Abstract

The concerns of areas such as democracy, corruption, rule of law, and governance are common among most countries. Confronted with such common problems, policymakers can learn from how other nations have responded through a policy transfer process. The Office of Auditor General of Zambia (OAGZ) has the ambition to promote good governance, transparency, and accountability in Zambia, partly through performance auditing. OAGZ was inexperienced in the craft of performance auditing; therefore they engaged in a policy transfer with the Office of Auditor General Norway (OAGN).

The thesis has examined this particular policy transfer in the period of January 2008 – December 2013. The study has evaluated to what degree the policy transfer has contributed to further improvements in OAGZ's *human and organisational resources* in order to enhance their capacity to carry out high quality audit.

The thesis has studied the policy transfer through a theoretical policy transfer perspective. The policy transfer literature mentions several variables that may affect the outcome of a policy transfer. This study has focused on voluntariness, formal independence and administration culture. The study found that there had been great improvements in the *human resources* of OAGZ, but that developments in *organisational resources* were lacking. Overall, the Project was evaluated as a relative success. However the study emphasised that the lack of developments in the *organisational resources* placed the sustainability of the improvements in the human resources at risk.

The variables from the policy transfer framework had a strong analytical utility for understanding the outcomes of the Project. The high degree of improvement in the human resources was attributed to the voluntary nature of the transfer, high level of political neutrality, and high level of decision-basis independence. In addition, the medium level of power distance partly explained the insufficient results in the organisational resources. In this manner the study illuminated the importance of contextual compatibility, in the form of a compatible formal context (cf. formal independence) and a compatible informal context (cf. administration culture).

In the conclusion of the thesis, some relevant lessons were drawn from this particular case of policy transfer to the wider perspective of policy transfers in general.



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# List of Abbreviations

AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
AG	Auditor General
AGP	Auditor General of Pakistan
CDF	Constituency Development Fund
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
LTA	Long-term Advisor
NAO-Malawi	National Audit Office of Malawi
NAO-Sweden	Swedish National Audit Office
NSD	Norwegian Social Science Data Service
OAGB	Office of Auditor General of Botswana
OAGN	Office of the Auditor General of Norway
OAGZ	Office of the Auditor of General of Zambia
OECD	Organisation for Economic Co-operation and Development
PAS	Performance Audit Section
PID	Planning and Information Directorate
PQRD	Planning, Quality Control, Research and Development
PRSP	Poverty Reduction Strategy Paper
PSC	Public Service Commission
RIDP	Restructuring and Institutional Development Project
SAI	Supreme Audit Institution
STA	Short-term Advisor
TIZ	Transparency International of Zambia



# Map of Zambia





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# 1 Introduction

The concerns of areas such as democracy, corruption, rule of law, and governance are common among most countries. Confronted with a common problem, policymakers can learn from how their counterparts elsewhere have responded through policy transfer (Rose, 1991, p. 4). *Policy transfer* is a process by which “knowledge about policies, administrative arrangements, institutions, and ideas in one setting are used in the development of policies, administrative arrangements, institutions, and ideas in another setting” (Dolowitz and Marsh, 2000, p. 5). The underlying assumption behind policy transfer is that policies that have been successful in one country will be successful in another.

There is a broad consensus among the academic community that the success of a policy transfer is dependent on a number of variables. The idea of the transfer process as contextually embedded, is common in the policy transfer literature (Bennett, 1991; Dolowitz and Marsh, 1996; Dolowitz and Marsh, 2000; Karyeija 2010; Kedia and Bhagat, 1988; Kiggundu, Jørgensen, and Hafsi, 1983; Kostova, 1999; Olsen, 1992; Rose, 1991, and Syed-Ikhsan and Rowland, 2004). Whether a policy transfer leads to success or failure depends on both the formal and informal context. The former refers to variables such as a country’s legislation and political system, and the latter refers to variables such as culture and history (ibid).

In addition to a focus on the contextual variable, some have pointed out the degree of voluntariness in the process as important (Dolowitz and Marsh, 2000, pp. 13-15). In the development literature, where policy transfer is an important topic, *voluntariness* is closely related to the concept of “*aid conditionality*” (see chapter three), a concept that is highly debated within the aid community (Neumayer, 2003, p. 11; Stokke, 2013). Could conditionality be an instrument to achieve successful policy transfer, or does conditionality inherently lead to policy failure? This will be elaborated on in section 3.3.1.

Although there are quite a few studies that identify variables that affect the outcome of the policy transfer process, there seems to be a gap in the literature when it comes to explaining exactly *how* these variables influence the outcomes. Few studies

have used the theoretical assumptions about these causal relationships to analyse empirical findings (Evans and Davies, 1999). In light of this, it seems particularly interesting to study a policy transfer process in depth.

The policy transfer under study here is the transfer of performance audit between the Office of the Auditor General of Norway (OAGN) and the Office of the Auditor of General of Zambia (OAGZ) in the period January 2008 – December 2013. In 2008 the cooperation formally started to involve policy transfer on performance audits. At that time, very limited knowledge existed on the Zambian side on how to conduct performance audits, how to organise them, and how to table the performance audits in Parliament. At the request of OAGZ, the two audit institutions engaged in a policy transfer so that OAGZ could learn from OAGN's experiences. The overall objective of the Project in the period 2008-2012 was to: "contribute to further improvement in OAGZ's capacity to carry out high quality audit, thereby promoting transparency, accountability and good governance in the management of public funds" (NAO-Sweden, 2013, p. 6).

Activities in areas related to technical assistance were put in place to achieve the objective. Technical assistance is here understood as OAGN providing OAGZ with personnel, both a long-term advisor (LTA) and several short-term advisors (STAs), in order to enhance OAGZ's audit skills and their relations with stakeholders. Most of the technical assistance has been focused on joint audit and on the job training. These approaches signify that an OAGN team works closely with an OAGZ team, and acts as an advisor in the implementation of an on-going audit work. In addition to joint audits, the technical assistance has also involved introductory training in performance auditing (NAO-Sweden, 2013, p. 5).

## **1.1 Research Questions**

The first research question of the thesis is formulated as follows:

- 1. To what degree has the policy transfer between OAGN and OAGZ in the conduct of performance audit been successful?*

Operationalizing “successful policy transfer” is one of the biggest controversies within the aid community (Dolowitz and Marsh, 2000, p. 17). How should “successful policy transfer” be measured? For my assessment of the policy transfer between OAGN and OAGZ I have chosen to adopt the *goal attainment model*. In addition a brief discussion of the Project’s relevance and sustainability will be discussed (see chapter three). Thus, I rely on the stated goal of the policy transfer between OAGN and OAGZ. As mentioned above the overall objective has been to improve OAGZ’s capacity to carry out high quality audits, thereby promoting transparency, accountability, and good governance in the management of public funds. A key word in the stated objective is *capacity*; I therefore argue that this is a suitable delineation of “successful policy transfer”.

However, capacity may encompass several aspects and I argue that a distinction between the capacity of the employees and the capacity of the organisation is fruitful. Capacity of the employees is often referred to as capacity building. According to Tostensen and Johnsen capacity building involves “a process whereby individual members of groups within an institution enhance their skills in a particular field of activity to buttress their institution with a view to achieving its goals” (2013, p. 39). Here, development of human resources therefore means equipping OAGZ’s staff with the requisite skills to perform high quality audits. To a large extent capacity building is centred on human skills, and the first indicator of “successful policy transfer” is therefore *human resources*. Capacity of the organisation is often referred to as institution building and entails “incorporating and instituting proper systems and procedures to ensure conformity and predictability of behaviour” (ibid). In this case, development of organisational resources means equipping OAGZ with manuals, procedures, and structures in order to conduct high quality audits. The second indicator of “successful policy transfer” is therefore *organisational resources*.

This thesis will not analyse to what degree the audit reports have had an impact on the policy making. Neither will it examine to what degree the reports have led to changes of practice within the audit objects. Impacts of this nature are perceived as the ultimate aim for a performance audit, and it is therefore somewhat of a limitation of my study that this is not elaborated on. However, practical obstacles have made it very

difficult to gain valid findings on these aspects. These obstacles include the change of government during my period of study, the frequent changes in personnel within the audit objects, as well as the lack of written documentation. Additionally I have considered the limitations on time and the length of the thesis. If I had expanded my analysis to include impacts, my ability to analyse all aspects in depth would have been greatly impeded, and had thus resulted in an incomplete analysis.

Furthermore, this thesis will not analyse to what degree the policy transfer has enhanced *transparency*, *accountability*, and *good governance* in Zambia (cf. the overall objective of the Project). As the Project requires that transparency, accountability, and good governance will be enhanced *through* improved capacity in OAGZ.

The second research question is of an explanatory nature. It aims at analysing whether and how certain variables affected the outcomes of the policy transfer between OAGN and OAGZ.

*2. To what extent does the policy transfer framework explain outcomes of the policy transfer between OAGN and OAGZ?*

As initially mentioned, there is a long list of variables to choose from in the policy transfer framework, taking Dolowitz and Marsh (2000) as our point of departure. The policy transfer framework is organised around a number of questions related to various aspects of the transfer process, all assumed to influence the outcome in different ways. I have chosen to focus on the following three central questions: Was the transfer process voluntary or coerced? Was the political context compatible? Was the administration culture compatible (Dolowitz and Marsh, 2000, p. 10)?<sup>1</sup> From these questions I derive three explanatory variables: degree of voluntariness, formal independence, and administration culture. The rationale behind this presentation is that the values one has on these explanatory variables will affect the values on the variables “human resources” and “organisational resources”.

Why is the Project between OAGN and OAGZ a suitable case for studying policy transfer? This is a case of a policy transfer process that is potentially affected

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<sup>1</sup> Other questions posed are: who are the key actors involved in the policy transfer process? From where are lessons drawn? What is transferred? (Dolowitz and Marsh, 2000, p. 8).

by a number of the variables identified in the policy transfer literature. Administration culture, voluntariness, and formal independence are all variables that are presumed to be relevant in this specific case. Through an analysis of this project we can gain detailed information about *whether and how* these selected variables can affect a policy transfer. There seems to be somewhat of a gap of knowledge in the literature when it comes to this (Evans and Davies, 1999). Furthermore, it is reasonable to assume that there are contextual differences between the sender (OAGN) and the receiver (OAGZ) of the policy transfer. Due to these differences the Project is particularly suitable for examining the importance of context. A final reason for studying the policy transfer between OAGN and OAGZ is that it encompasses policy transfer at both an individual- and organisational level. The policy transfer has been intended to enhance both human and organisational resources. Furthermore, through the findings from a specific case of policy transfer, I discuss the potential for drawing general lessons worth taking into account for future policy transfers (see the concluding chapter).

## **1.2 Methodology**

The two main methods I have chosen to use in my thesis are document studies and semi-structured interviews. I have reviewed various documents, such as the Project Document, assessments, agreements, annual plans and reports, terms of references for different assignments, and mission reports. In addition to this, I have reviewed an assessment of the Project conducted by the Swedish National Audit Office (NAO-Sweden) and Deloitte. Collectively, these documents contain valuable information on the objectives, interventions, and goal attainments of the Project. I have in addition interviewed all the main participants from the Project. On the Zambian side, I have interviewed employees of the Performance Audit Section (PAS), the Planning and Information Directorate (PID), media professionals, and Transparency International of Zambia (TIZ). On the Norwegian side I have interviewed project coordinators, short-term advisors, and the long-term advisor.

## **1.3 Outline of the Thesis**

The thesis consists of seven main chapters, with this introduction constituting the first. In the second chapter, I present key concepts and the context. The purpose of chapter two is to provide the background information and concepts necessary to comprehend the analysis of the Project. The third chapter presents the theoretical approach in a more detailed fashion. The chapter is divided into three parts: the evaluation model, theory on institutional change, and an explanatory framework. The fourth chapter presents the methodological framework of the study. The empirical basis of the thesis is presented in chapter five. The objectives and interventions of the Project are described, as well as the findings on the variables presented in the theory chapter. In chapter six my analysis will connect the empirical data with the theoretical framework. The thesis concludes with a summary where the main findings are presented. The research questions will be answered and I reflect on the possibilities for generalising the findings and arguments from my thesis.



## 2 Background and Key Concepts

As a precursor to the theorising and empirical analysis, I will place the OAGN-OAGZ case into context by explaining what is transferred and what the purpose of this type of policy transfer can be. The latter is explained by presenting “the good governance agenda” while the former is explained by what is meant by performance audit.

### 2.1 The Good Governance Agenda

Despite having excluded good governance from the scope of my thesis, I find it fruitful to present some information about this concept, as good governance has been one of the main purposes of the Project.

What does the somewhat diffuse term “good governance” entail? In this thesis I choose to use Eric Neumayer’s definition of good governance. Neumayer claims that good governance is in “accordance with the rule of law, provides effective and non-corrupted public services, and utilises public resources in an accountable and transparent manner in order to promote the general social welfare” (2003, p. 8). I argue that this is a fruitful delimitation for my thesis, because this definition encompasses what a Supreme Audit Institution (SAI) is supposed to guarantee (see section 2.2).

The term “good governance” was introduced by the World Bank in 1989 and became the buzzword of the aid community in the 1990s. Known as “the good governance agenda”, this new development doctrine identified poor governance as the root cause of Africa’s poor development. Only through a high quality of government could a country reap the benefits of economic growth and social development (Abrahamsen, 2000, p. 25; Holmberg, Rothstein and Nasiritousi, 2009, p. 2). The good governance agenda thus marked a change in the development discourse, from economical towards political measures. The World Bank argued that economic reforms would be wasted if not accompanied by political reform (The World Bank, 1989, p. 83). The recipient partners also highlighted the importance of good governance. A study conducted by Merilee Grindle and Edward Mason, analysing

Poverty Reduction Strategy Papers (PRSPs)<sup>2</sup> of developing countries, confirms this notion of good governance (Grindle and Mason, 2002, pp. 2-4).

The good governance agenda has also influenced the academic discourse. Several prominent social scientists have recently argued that the good governance variable is crucial in explaining differences in standard of living and economic growth among nations (Rohtstein, 2012, p. 407). Empirical studies show that citizens trust in and perception of the quality of public administration, including control of corruption, the rule of law, and an impartial civil service, are of great importance in creating political legitimacy (Gilley, 2006; Norris, 2012; Rothstein, 2012). Another study conducted by Cheung and Leung (2007), shows a positive link between government accountability and life satisfaction. Furthermore, several scholars have argued that taking action to reduce corruption, promoting democratic institutions, and increasing the quality and efficiency of public good services is essential for promoting development (Holmberg et al., 2008, p. 12).

Due to the severe consequences of bad governance the question one must ask is: what can promote good governance? The answer to this question is multifaceted, but one possible solution is performance audit, which has been the cooperation area of the Project.

## **2.2 The Performance Auditing Process**

Performance audit can be understood as a process consisting of several stages. More specifically performance audit is:

a process in which certain inputs (organizational authority, auditors' skills, etc.), are deliberately combined, using a defined process (fieldcraft, techniques, approval within the audit body) with the aim of producing a specific 'product' or 'output'(e.g. a public report) (Pollitt, Girre, Lonsdale, Mul, Summa, and Waerness, 1999, p. 9).

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<sup>2</sup>Poverty Reduction Strategy Papers (PRSPs) were introduced in 1999 by the World Bank and the IMF as a means to enhance the coordination of development assistance between recipient governments and development partners. Recipient governments will prepare a PRSP every three to five years. The PRSPs sets out a country's macroeconomic, structural, and social policies and programs to promote growth and reduce poverty (What are PRSPs?, 2011).

In order to operationalise human resources and organisational resources in chapter three, a clarification of what the performance auditing process entails is necessary. The various stages of the process identified below are based on the classification found in the International Standards of Supreme Audit Institutions (ISSAI). Broadly speaking, the ISSAI distinguishes between the planning process, the executive process, and the follow-up process<sup>3</sup> (INTOSAI, 2006, p. 43).

*The planning process* is often divided into different intermediate stages. The first stage is the selection of audit objects. The general selection criteria should either be based on added value, important problems or problem area, or risk or uncertainty.<sup>4</sup> Added value concerns whether the audit report provides new knowledge and perspectives. Important problems or problem areas is based on the idea that “the greater the risk for consequences in terms of economy, efficiency, and effectiveness or public trust, the more important the problems tend to be. A problem may be judged important if knowledge about it would be likely to influence the audit objects” (INTOSAI, 2006, p. 43). Lastly, the risk or uncertainty criterion concerns the selection of audit objects, and is based on a risk analysis of existing or potential problems. A programme which has features that give rise to concern should be assessed<sup>5</sup> (INTOSAI, 2006, pp. 44-45).

The second stage is the pre-study. Before starting the main study, a pre-study must be done in order to define the audit objectives, the scope, and the methodology necessary to achieve the objectives. Together these steps establish whether the conditions for a main study exist, and if they do exist the pre-study results in an audit proposal with a work plan (ibid, pp. 48-49).

The purpose of *the executive process* is “to implement the work plan, conduct the audit, and produce a high quality audit report” (INTOSAI, 2006, p. 59). This process consists of two intermediate stages, an analytical stage and a communicative

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<sup>3</sup> This thesis will not analyse the follow-up process (see chapter one).

<sup>4</sup> For another classification see Lonsdale, Mul, and Pollitt, 1999, pp. 109-110.

<sup>5</sup> Factors that may indicate higher risk could be: (a) the financial or budgetary amounts involved are substantial, or there have been significant changes in the amounts involved, (b) areas traditionally prone to risk such as technology, health, environment issues, (c) new or urgent activities or changes in conditions, (d) management structures are complex, and there might be some confusion in responsibilities, and (e) there is now reliable, independent, and updated information on the efficiency or the effectiveness of a government program.

stage. The analytical stage entails four steps; data collection, interpretation, analysis, and quality assurance<sup>6</sup> (ibid).

*The communication stage* begins when the audit is first presented to the audit object and then tabled in Parliament. The purpose of this stage is to assess different findings, arguments, and perspectives. This stage proceeds until the audit report has been finalised. An open and constructive dialogue is the ideal, where the factual recommendations in the audit report are taken into consideration (INTOSAI, 2006, p. 59). I argue that the skills in the communication stage are related to the skills in the previous stages. Good skills in the previous stages could promote confidence in the auditors, which in turn makes communication with the audit object(s) and Parliament easier. In addition, confident skills in the previous stages will provide the auditors with the integrity needed to be taken seriously. Another crucial element in the communication stage is that Parliament understands what performance auditing entails. Sensitising stakeholders is an important measure to ensure this understanding.

As previously mentioned, legitimacy and trust are essential values in all government undertakings and SAIs play an important role in safeguarding these values (Pollitt and Summa, 1999, p. 2). SAIs must therefore have an *independent* and *autonomous* position in the structure of government, with a clearly and explicitly defined legal basis for the purpose and scope of their activities (Summa, 1999a, p. 21). Performance auditing must be both formally and informally independent of the government ministries whose activities are subject to the audit (Bringselius, 2013). This ensures that the performance audit does not “represent any vested interests and has no ties, financial or otherwise, to the audited objects” (INTOSAI, 2006, p. 13). Finally, by producing independent assessments, performance auditing may also serve as a *basis for* decision, having the ability to influence and improve the government’s performance (ibid).

Let me now elevate my perspective and reflect upon how performance auditing can help promote good governance. According to International Organisation of

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<sup>6</sup> Quality assurance is not originally integrated in the steps presented in the ISSAI. I integrate the steps because quality assurance is important in the making of a high quality audit report. According to INTOSAI, all SAIs must have staff with good skills in quality assurance (2006, p. 46). This step is presented under the analytical stage as it occurs after the planning process and before the audit report is presented to the audit object(s) and Parliament.

Supreme Audit Institutions (INTOSAI), “a criterion of good governance is that all public services (or all government programs) are subjected to auditing” (2006, p. 12). How performance auditing promotes good governance is connected to the aforementioned ideas. Because performance audits are supposed to be independent they provide citizens with reliable information on the economy, efficiency, effectiveness, and good management of the programmes pursued by their governments. According to Normanton state auditors play a key role in promoting good governance, as it is only through their published audit reports that informed criticism about the way the executive branch manages public resources is brought to light (1966, p. 403). “Independent audit is probably the citizen’s best defence against the misuse of money” (ibid). Further, through independent performance auditing accountability is ensured, which is generally considered to be a very positive democratic value, providing a countervailing power to governments (Firth, 1980, p. 452).

# 3 Theoretical Framework

In research question one I ask: To what degree has the policy transfer between OAGN and OAGZ in the conduct of performance audit been successful? Two indicators serve as measures of the dependent variable “degree of successful policy transfer”, namely *human resources* and *organisational resources*. The evaluative part of the analysis necessitates a further specification of these two key concepts. Likewise, the explanatory part of the analysis (cf. RQ 2) necessitates identifying and explaining variables hypothesised to influence the outcomes of interest. This is the focus of section 3.3, where an explanatory framework based on the policy transfer literature is developed.

## 3.1 Evaluation Model

My first research question is of an evaluative nature as it aims at assessing to what degree the policy transfer between OAGN and OAGZ has been successful. In light of this, an important aim for my thesis becomes to find good indicators of *successful policy transfer*. Subsequently, a justification for the choices I make and a reflection upon potential weaknesses of these choices is presented.

According to Vedung, one can distinguish between five types of evaluation models,<sup>7 8</sup> (2009, p. 69). In my thesis I choose to make use of the *goal attainment model*. According to Ernest House, the goal attainment model:

Takes the goals of the program as stated and then collects evidence as to whether it has achieved those goals. The goals serve as the exclusive source of standards and criteria. The evaluator assesses what the program developers say they intend to achieve. The discrepancy between the stated goals and outcomes is the measure of program success (1980, p. 26).

In my study this approach has led me to choose the evaluation criteria based on the overall objective stated in the Project Document. The main reason for choosing such a model is the degree of simplicity. Due to the limitations on my time and

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<sup>7</sup> The five evaluation models are: (1) model of goal process, (2) model of goal attainment, (3) model of relevance, (4) model of actors, and (5) model of economy. These models differ in regard to which evaluation criteria they choose, and what the objects of the evaluation are (Vedung, 2009, pp. 69-71)?

<sup>8</sup> For other overviews of evaluation models see: House, 1980 and Shadish et al., 1991.

resources simplicity has taken precedence. For example, choosing a model that also dealt with unintended effects would have been too extensive given the constraints inherent in writing a master thesis. The goal attainment model poses one important question: “to what degree have the goals been attained” (Vedung, 2009, p. 92)? However, such a model can be problematic if the goals are too abstract to be used as evaluation criteria (ibid, p. 97). The overall objective<sup>9</sup> of the Project is to a certain degree of such a nature. Therefore, I find it necessary to specify what is meant by *capacity* (cf. chapter one). The specification is done on a theoretical basis, where theory on capacity is used to define what the concept entails. In this manner, I choose these two indicators: (1) human resources and (2) organisational resources. I argue that these are good indicators as they capture a variety of levels, both individual and organisational.

Although my evaluative analysis is based on the goal attainment model, a brief discussion on the Project’s *relevance* is presented on pages 83-84. Relevance is here understood as “whether the specific objectives, activities, and results were relevant in order to reach the overall objective of the Project”<sup>10</sup>.

I base my operationalization of human resources and organisational resources on the performance auditing process presented in chapter two. I argue that in order for OAGZ to succeed with the two sub-processes of performance auditing at their various stages, both individual skills (human resources) and organisational procedures and routines (organisational resources) are required.

### **3.1.1 Human Resources**

A resource-based view of institutions emphasizes the value of internal knowledge and skills (Garavan, 2007, p. 11). Several theorists have advocated the benefits of the development of skills and capabilities within an institution (Bettis, Bradley, and Hamel, 1992; Hamel 1996; Lepak and Snell, 1999). Human resources are seen as valuable as they enable the institution to operate in an efficient and

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<sup>9</sup> The overall objective has been to improve the OAGZ’s capacity to carry out high quality audit, thereby promoting transparency, accountability, and good governance in the management of public funds.

<sup>10</sup> This definition is aligned with The Organisation for Economic Co-operation and Development’s (OECD) definition of relevance: “The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor” (2011, DAC Criteria for Evaluating Development Assistance).

effective manner (Lepak and Snell, 1999, p. 35). Although a fixed definition of the development of human resources is controversial, it has traditionally been defined in the context of the individual or the work team (McLean, 2004). In the case of study, human resources will be related to the individual and the work team. More specifically, it relates to the resources an individual auditor holds, as well as those of the various audit teams, and how these resources affect the performance auditing process (cf. 3.1.1).

This way of looking at human resources is similar to Tostensen and Johnsen's definition of capacity building: "a process whereby individual members of or groups within an institution enhance their skills in a particular field of activity to buttress their institution with a view to achieving its goals" (2013, p. 39).

Based on the above insights I choose to define the term human resources as follows: "*the skills held by OAGZ's staff when it comes to making use of the processes needed in the creation of an audit report*". A key word here is *skill*. Based on the previous presentation of the various stages of the performance auditing process (cf. 2.2), the dimensions of human resources can be summarised as follows below in table 3.1.



**Table 3.1 Operationalization of human resources**

	Intermediate stages	Description	Purpose
Skills in regard to the planning process	Selection of audit objects	Added values; important problems; risk or uncertainty.	To select audit objects based on a professional assessment.
	Pre-study	Defining the specific issues to be studied and the audit objectives; developing the scope and the design of the audit; determining timetable and the resources.	To establish whether the conditions for a main study exist and if they do exist, to produce an audit proposal with a work plan.
Skills in regard to the executive process	Analytical stage	Data collection; interpretation; analysis; quality assurance of the audit reports.	To obtain relevant, and reasonable evidence; to ensure high quality reports.
	Communicative stage	Tabling the audit report in Parliament.	To have a constructive dialogue where the factual recommendations are taken into consideration.

Which implications do these insights have for the case of study? I argue that the degree of successfulness of the policy transfer depends on the degree of development of human resources in OAGZ.

### 3.1.2 Organisational Resources

While human resources deal with capacity at an individual level, organisational resources concern capacity at the *organisational level*. This is related to the concept of *institution building*, which can be defined as “incorporating and instituting proper systems and procedures to ensure conformity and predictability of behaviour” (Tostensen and Johnsen, 2013, p. 39). I build on this definition and define organisational resources as: “*the systems and procedures in OAGZ intended to ensure conformity and predictability*”. However, delineation is needed in regard to *which*

systems and procedures should be included. I argue that particularly two categories are relevant for the performance auditing process: *performance-auditing manual* and *training systems*.

First, in order to ensure conformity and predictability the development of written procedures on how to conduct performance auditing is of vital importance. Consequently, OAGZ must produce a performance audit manual, which explains the various procedures, principles, and stages of the performance audit process. This dimension of organisational resources bares similarities to human resources. However, there is one important difference; the former is theoretically aligned while the latter is practically oriented. Even if few, or even many, employees are taught how to conduct the performance auditing process in practice, there is still a need for some sort of written documentation. This is important because it makes the stages in the process easier to remember and because new employees can use this manual as guidelines in their work. International forums such as INTOSAI and The African Organisation of English-speaking Supreme Audit Institutions (AFROSAI-E) often provide general manuals. I argue that it is not sufficient that OAGZ makes use of these. There are two reasons for this. First, these manuals are very extensive and technical in their presentation. This makes them poorly suited as guidelines used in practice by the auditors. Second, these manuals are general and are not adapted to the specific national context (INTOSAI, 2006, p. 8). Therefore, OAGZ must provide a customised performance audit manual, which is adapted to the context. Based on this, I pose the following argument: If assuming that OAGZ lacks a customised performance auditing manual the organisational resources will be low. Conversely, the organisational resources in OAGZ are high if they entail a customised performance auditing manual.

It is reasonable to assume that new employees have arrived after the Project. Therefore, OAGZ must provide systems of training in order to enhance the conformity of their work. Training systems are also an important contribution to ensure that the knowledge and skills inhabited by a specific individual exposed to training (cf. human resources), is transferred to those not being exposed to the training. Training systems can take the form of repeated teaching or established rules so that those trained are paired up with those who lack the training. Based on this I pose the following

argument: assume that OAGZ lacks training systems. Then the knowledge and skills are not spread and the organisational resources are low. Conversely, the organisational resources are high if OAGZ has training systems that ensure the spreading of knowledge and skills.

The organisational resources are of particular significance in regard to how *sustainable* the policy transfer between OAGN and OAGZ has been. Sustainability should here be understood as: “whether the benefits of an activity are likely to continue after donor funding has been withdrawn” (OECD, 2011). A discussion of the outcomes’ sustainability is discussed in the analysis (see chapter six).

Table 3.2 summarises the two categories of organisational resources, with a total of four dimensions, according to how the concept is made operational from the above review.

**Table 3.2 Operationalisation of organisational resources**

	Low	High
<b>Performance auditing manuals</b>	OAGZ lacks a customised performance auditing manual.	OAGZ has customised their own performance-auditing manuals.
<b>Training systems</b>	OAGZ lacks systems for training new auditors in performance audit, so that knowledge and skills are not spread.	OAGZ has systems of training so that knowledge and skills are spread.

## 3.2 Theory on Institutional Change

Policy transfer indicates some sort of *change*, as new policies, administrative arrangements, institutions, and ideas are introduced. When analysing to what degree the policy transfer between OAGN and OAGZ has been successful (cf. RQ 1), knowledge about different types of institutional change will be useful.

A good analysis of institutional change must acknowledge the distinction between *formal change* and *actual change*. It is essential to keep in mind that there

may only be a loose coupling between these two (Helmke and Levitsky, 2006). Brunsson and Olsen assert: “it is relatively easy – basically with a couple of strokes of the pen on an organizational chart – to adapt the formal organization to change in norms or new laws of fashions” (1993, p. 9). However, institutional change will not be worth the legislative paper they are written on unless supported by *actual* changes in attitudes, practices, and organisational competencies (Helmke and Levitsky, 2006).

Based on the arguments above I conceptualise a matrix of institutional change with two dimensions representing degrees of formal and actual change. The combinations of these two dimensions yield four different types of outcome in institutional change:

**Table 3.3 Different types of institutional change**

	Actual change	
	High	Low
Formal change	High <b>Successful change</b>	Low <b>Layering</b>
	Low <b>Informal change</b>	<b>Rejection</b>

*Successful change* should here be understood as change incorporated both in the written plans of the institution as well as change in attitudes, practices, and organisational competencies. In the cases where the institution’s formal change is followed by a lack of actual change, *layering* will be the result. This involves “tense layering of new arrangements on top of pre-existing structures” (Thelen, 2003, p. 226). New institutional arrangements may be designed and formally implemented but lack the support, or perhaps the inclination, to replace pre-existing arrangements. *Rejection* entails both low formal change and actual change, while *informal change* concerns low formal change accompanied by high actual change. In the case of study, rejection would mean that OAGZ neither made changes in terms of plans or changes

in terms of behaviour in the staff. On the other hand, informal change would mean that OAGZ had not made formal plans for changing practices, but that practices and behaviour were changing anyway.

Which overall implications do these assumptions have for the case of study? I argue that there is reason to believe that there is a link between the explanatory variables (cf. section 3.3), and the type of institutional change found in the human and organisational resources in OAGZ. Let me elaborate on this argument with an example<sup>11</sup>. Assuming that the administration culture in OAGZ is not compatible with the ideas that form the basis for performance auditing and the ideas that form the basis for a policy transfer process. Based on the conceptual clarification above there are two possible outcomes of the process, *rejection* or *institutional layering*. Conversely, assuming that the administration culture in OAGZ is compatible with the ideas that form the basis for performance auditing and the ideas that form the basis for a policy transfer process, a successful change is then likely to occur.

### 3.3 Explanatory Framework

In order to explain the outcomes of the policy transfer (cf. RQ 2), it is important to consider the fact that performance auditing in OAGZ is influenced by what several scholars have termed “policy transfer” from abroad. The vast literature on policy diffusion (Walker, 1969), lesson-drawing (Rose, 1991), policy convergence (Bennett, 1991), and policy transfer (Dolowitz and Marsh, 1996) is all concerned with how:

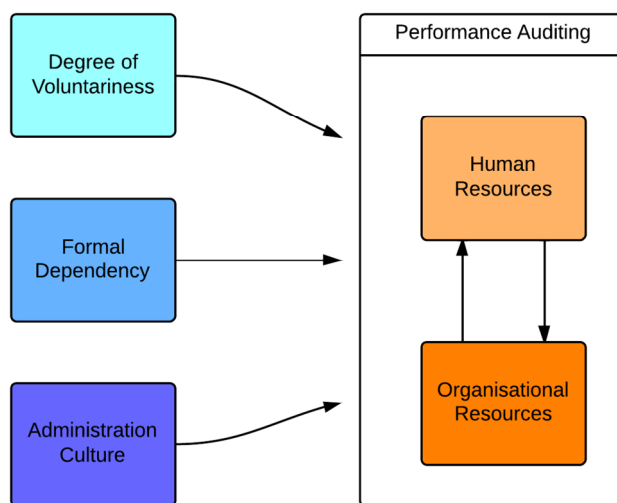
Knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political setting (Dolowitz and Marsh, 2005, p. 5).

Dolowitz and Marsh have developed a conceptual “policy transfer framework” (1996; 2000), where they have systematised insights from much of the aforementioned literature and the literature mentioned initially (cf. chapter one). This framework will be helpful in analysing the empirical findings. It will be used to

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<sup>11</sup> For more examples see section 3.3.

expand the understanding of why OAGZ's human resources and organisational resources may be deemed sufficient, or possibly underdeveloped. As mentioned initially the policy transfer framework is organised around a number of questions related to various aspects of the transfer process. Based on three of these questions I derived the following three explanatory variables: *degree of voluntariness*, *formal independence*, and *administration culture* (cf. chapter one). The model of research can thus be conceived as in figure 3.1:

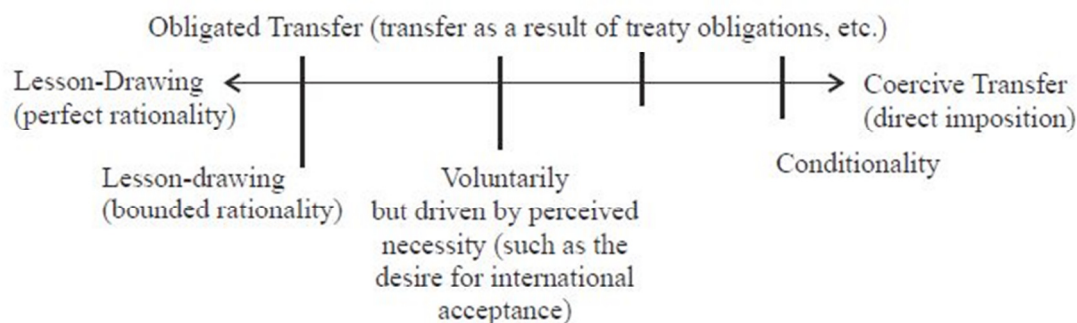


**Figure 3.1 Explanatory framework**

Though Dolowitz and Marsh's framework is conceptually helpful, it should be noted that its claims of causation between variables are somewhat underdeveloped. Evans and Davies recognise this weakness: "[...] in order to make stronger knowledge claims [the policy transfer framework] must engage in theoretical and methodological pluralism and integration" (1999, p. 361). Following this argument I will supplement the policy transfer framework with concepts of institutional change (cf. section 3.2), as well as other theoretical contributions on degree of voluntariness, formal dependency, and administration culture. The concepts in the policy transfer framework are used to derive theoretically motivated hypotheses about the empirical material. The hypotheses are formulated towards the end of each of the sections below.

### 3.3.1 Voluntary and Coercive Transfer

A policy transfer process can be rated along a continuum ranging from the most voluntary forms of policy transfer, to the direct imposition of what is being transferred from one political system to another. Transfer processes will often involve both voluntary and coercive elements, which might be difficult to distinguish between (Dolowitz and Marsh, 2000, p. 14). For the sake of simplicity, I discuss the distinction between voluntary transfer (through the concept of “lesson drawing”) and coercive transfer (through the concept of “aid conditionality”).



**Figure 3.2 From lesson-drawing to coercive transfer**

Source: Dolowitz and Marsh, 2000, p. 13.

*Lesson-Drawing* is a concept developed by Richard Rose (1991, p. 7), defined as “an action-oriented conclusion about a program or programs in operation elsewhere”. Rose states that even though all countries have unique political systems and histories, problems that are unique to one country are abnormal. Therefore, confronted with common problems, policymakers are likely to learn from each other (ibid, p. 4). The lesson-drawing end of the continuum is based upon the view that “actors choose policy transfer as a rational response to a perceived process” (Dolowitz and Marsh, 2000, p 14). Transfer occurs as a “result of free choices for political actors” (Dolowitz and Marsh, 1996, p. 344). This view of the transfer process assumes a rational-choice perspective, where actors behave instrumentally to maximise the attainment of their preferences.<sup>12</sup> Policy transfer is thus seen as a voluntary agreement

<sup>12</sup> Dolowitz and Marsh (2000, p. 14) distinguish between lesson-drawing marked by perfect rationality and bounded rationality (stage two of the continuum). Bounded rationality, a term developed by Herbert Simon

between the actors involved in the process (Hall and Taylor, 1996, pp. 944-945). When confronted with the dissatisfaction of the status quo, a gap between aspirations and achievements, actors will voluntarily search for existing solutions in time and space (Rose, 1991, p. 10).

Dolowitz and Marsh (2000, p. 16) place *aid conditionality* towards the coercive end of the transfer continuum. Aid conditionality refers to donors' practices of making official development assistance conditional on political and economic reform in recipient countries (Stokke, 2013, p. 1). Conditionality is most often used as *inducement*, which means that donors offer support if the recipient authorities agree to introduce a set of policies<sup>13</sup>(Collier, 1997). Dolowitz and Marsh (2000, p. 16) claim that: "when aid agencies are making loans it is likely to lead to coercive policy transfer". The use of conditionalities represents an explicit form of coercion, as donors demand certain actions to be taken. Even though aid conditionality has predominantly been used as an incentive for policy change, it has been shown to be ineffective in creating a sustainable change (Collier 1999, p. 325; Bräutigam and Knack 2005).

Aid conditionality is assumed to be problematic for a number of reasons. First, there is the risk that the recipients will do their best merely to create an image of compliance with the conditions imposed, and revert to their old policies when the donors turn away their attention (Neumayer, 2003, p. 11). Second, there is the risk that the institutional change takes the form of *layering* (cf. section 3.2). In aid dependent countries, aid conditionality undermines genuine policy learning. Where donors set policy, ministries become passive. Officials have incentive to agree with donors to avoid a delay in the disbursement of resources (Rakner and van de Walle, 2001). Collier (1997) asserts that genuine change is more likely where domestic political processes determine policies. Santiso (2001, p. 9) points out that "external support to policy change has all too often failed to offset a lack of local commitment and ownership of reform". Donors' use of conditionality places ownership with the donors, not the recipients (Johnson, 2005). Finally there is the risk that the donor-

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(1957), recognizes the limits of human cognitive capacity and resources to process information. This distinction is not of vital importance in this study. For a critique of equating perfect and bounded rationality with voluntarily, see James and Lodge (2003, p. 185).



recipient trust is hampered, which will affect their relationship and the outcomes of the policy transfer (Mosley and Abrar, 2006, p. 311).

Which implications do these insights have for the study of the policy transfer between OAGN and OAGZ? Based on the above, I put forward the following argument: Assuming that OAGZ is the prime mover of change, as they were not satisfied with the status quo of performance auditing, the policy transfer can be seen as a rational response based on a voluntary agreement between OAGN and OAGZ. In the continuum of Dolowitz and Marsh this represents a voluntary policy transfer. In such an instance a successful policy transfer is likely. On the contrary, presuming that OAGN is the prime mover of change through aid conditionality, this represents a coercive policy in the continuum of Dolowitz and Marsh. In such an instance, a lack of local commitment and ownership for OAGZ's staff is likely. Further, we may assume that the proposed change is adopted and implemented since OAGZ has a negative incentive to disagree with OAGN as this may delay or block the disbursement of resources. Nevertheless, there is a risk that the policy transfer is not sustainable and that the change only serves as a "layer". Based on this line of argumentation I formulate the following hypothesis:

*Hypothesis 1: If OAGZ is the prime mover of the policy transfer (through lesson-drawing), high values of human resources along dimensions 1 and 2 and high organisational resources along dimensions 1 and 2 will be the result.*

### **3.3.2 Formal Independence**

Independence from the executive branch is one of the essential ideas that form the basis of performance auditing (cf. section 2.2). However, independence is a wide concept that may include various aspects. According to Bringselius, a SAI must hold both a formal and an informal independence for it to carry out its tasks in a manner that enhances good governance (2013, p. 52). This section discusses the formal aspects of independence<sup>14</sup>. Formal independence emphasises the importance of inscribing the independence in law, and concerns the SAI's independence vis-à-vis the executive branch. It shall be noted that the independence of an organisation will

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<sup>14</sup> The informal aspect of independence will be discussed in section 3.3.3.

always be relative. Therefore, formal independence is here considered to be positioned in a continuum between two extremes of full dependence and full independence (ibid).

There is a relatively broad consensus on how to operationalize formal independence in regards to SAIs. Most of the studies rely on INTOSAI's founding principles (Pollitt et al. 1999, p. 19). Based on Bringselius' work, Tostensen and Johnsen's work and the INTOSAI's principles I choose the following dimensions of formal independence: *financial-, recruitment-, and decision-basis independence*.

First of all, *financial independence* concerns the extent to which the SAI is dependent on government funding and to which extent it has control over its own budget (Tostensen and Johnsen, 2013, p. 32). Independence is considered high if there is a system for continuous allocation of predetermined financial resources without risk of economic sanctions or favouritism (Bringselius, 2013, p. 58). Conversely, independence is low if the system of allocation poses a risk for economic sanctions.

The second dimension of formal independence is *recruitment independence*. This concerns whether the SAI enjoys the mandate to appoint personnel without interference from the executive branch. This applies to the appointments at various levels within a SAI; the appointment of the Auditor General (AG), the appointment of staff in human resources and administration, and the appointment of auditors (Tostensen and Johnsen, 2013, p. 33).

The third and final dimension of formal independence is *decision-basis independence* and concerns whether the SAI during the auditing process can carry out its decision-making independently (Bringselius, 2013, p. 58). At least three sub-dimensions are important in this regard. Firstly, a SAI must be independent when it comes to deciding which audit objects it is to review. According to the Auditing Standards, "it is important that the SAI maintains its independence from political influence, in order to preserve an impartial approach to its audit responsibilities" (INTOSAI, 2006, p. 34). The independence is considered low if the executive branch puts guidelines upon which audit objects the SAI can and cannot audit. Conversely, the independence is high if the SAI can follow the international standards described above, in their choice of audit objects. The second sub-dimension deals with whether the SAI is mandated to choose how to review the audit objects. The independence is

considered low if the executive branch puts constraints upon the methods to be used, how many audit units can be compared, and which timeframe the audit report shall include. The final sub-dimension of decision-basis independence concerns whether the SAI is free in its decision of which conclusions to draw from the audit. The independence is low if the SAI is restricted in which conclusions they can draw.

Let me now elaborate the aforementioned theoretical expectations with some assumptions about OAGZ's formal independence. First, assume that OAGZ lacks financial independence. OAGZ depends on financial resources regarding both the quantity and quality of audit reports. A lack of sufficient financial resources will affect both the number of reports OAGZ is able to produce as well as the quality of the reports. It is also likely that OAGZ does not dare to choose the most controversial audit objects and that they hold back on criticism, due to the fear of economic sanctions. Second, assume that OAGZ lacks recruitment independence. If OAGZ does not control which personnel to appoint there is the risk of getting an unqualified staff. Last, assume that OAGZ lacks decision-basis independence. As mentioned initially the main objective of performance auditing is to assess the economy, efficiency, and effectiveness of the government. If OAGZ lacks independence in the decisions mentioned above, this main objective of performance auditing is at risk.

Which overall implications do these assumptions have for the case of study? I argue that for the policy transfer between OAGN and OAGZ to be successful in regards to the human resources, the formal context matters. More specifically, I argue that how OAGZ scores on the aforementioned dimensions of formal independence will influence the degree of success in OAGZ's human resources. This argument will be further elaborated upon in the analysis of this thesis.

*Hypothesis 2: If there is a low degree of formal independence, low values of human resources along dimensions 1 and 2 will be the result.*

### **3.3.3 Administration Culture**

Informal social formations still dominate the African continent and have often been institutionalised to a point where they tend to dominate the way formal institutions operate. Therefore, several scholars have emphasised the importance of

the informal context when studying African politics (Hyden, 2006). A cultural perspective on the policy transfer between OAGN and OAGZ coincides with the *logic of appropriateness*<sup>15</sup>. This means that when acting an individual will act according to norms and values built on equality and considerations of applicability (Christensen, Lægreid, and Røvik, 2007). The institution that he or she belongs to defines which actions are appropriate for the individual. This definition of the appropriate is transmitted through socialisation (Marsh and Olsen, 1989). Thus the logic of appropriateness is contextual. A relevant question to ask in the case of study is “what is culturally appropriate behaviour in OAGZ”? Evaluating the policy transfer between OAGN and OAGZ through administration culture is important because researchers have proposed that policy transfer can be analysed by using culture as an independent variable. The policy transfer between OAGN and OAGZ provides an excellent opportunity to examine the possible effects of administration culture on a policy transfer process.

Many definitions of administration culture have been elaborated on before (see Henderson, 2005; Wilson, 1989; Zhuplev and Vladamir, 2005). My working definition builds on the one presented by Keith Henderson (2005, p. 41)<sup>16</sup>. Thus administration culture refers to “*the shared values, beliefs, norms, traditions, and practices*” of an institution. This definition is concerned with the way OAGZ views the world. Here are some questions I have used for the purpose of analysis: What are the most appropriate actions for the OAGZ staff? Which rules do they follow? What motivates them to act? How do they gain acceptance? This model of analysis is used as a point of departure and is based on dimensions used to measure and describe culture, namely political neutrality vs. political bias and power distance.

There are several reasons for choosing these dimensions. First, several studies have used these two dimensions (Hofstede, 1980; Karyeija, 2010; Trompenaars and Hampden-Turner, 1998; Schein, 2004). Therefore I use these studies as a point of departure for my study. Second, as I explained in chapter two, performance auditing

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<sup>15</sup> The opposite of logic of appropriateness is *logic of consequences* where acting is based on calculating the return expected from alternative choice. Actions and outcomes are products of rational calculating behaviour designed to maximize a given set of preferences (Christensen et al., 2007).

<sup>16</sup> Henderson defines administration culture as: “the general characteristics of public officials, i.e., norms, shared values, attitudes and beliefs” (Henderson, 2005, p. 41).

presupposes independence. Therefore, it is relevant to examine the dimension of political neutrality vs. political bias as it can be seen as a measure of independence. Third, power distance is relevant to examine because the value OAGZ has on this dimension will affect how OAGN place themselves in the hierarchy of OAGZ. This will in turn affect how much influence OAGN has on the policy transfer. Power distance is also relevant in regard to its compatibility with the performance audit process.

The first administration culture variable is *political neutrality vs. political bias*. These concepts focus on the interference between politics and SAIs, more specifically the relations between political leaders and the staff in OAGZ. The issue that is highlighted under this dimension is the extent to which OAGZ's staff remains politically neutral or becomes politically biased. *Political neutrality* denotes independence; auditors performing their jobs professionally and without bias towards politicians. On the other hand, *political bias* connotes a partisan SAI that is more loyal to the interests and preferences of the ruling party (Karyeija, 2010, p. 78).

Which implications do these insights have for the study of the policy transfer between OAGN and OAGZ? The question is to what extent the existing administration culture in OAGZ is compatible with the underlying idea of independence in performance auditing. I argue that compatibility, meaning a high level of political neutrality, is necessary for a successful development of the human resources in OAGZ. Otherwise political bias, as expressed through OAGZ's behaviour, may hamper the development of human resources. Based on the discussion above, I put forward the following argument: Assume that performance auditing is embedded in the Western context where SAIs independence is well established in the administration culture. Further, assume that OAGZ is politically biased. Then the cultural constraints and cultural conflicts between the ideas that form the basis of performance auditing and the core values in OAGZ's administration culture will hinder a successful policy transfer. Based on this line of argumentation I propose the following hypothesis:

*Hypothesis 3: If there is a high degree of political neutrality in OAGZ a greater chance of improvements in human resources along dimension 1 and 2 will be the result.*

The second administration culture variable is *power distance*. I begin by defining the concept as it will be used in this thesis. Hofstede and Hofstede define power distance as “the extent to which the less powerful members of institutions and organizations within a country expect that power is distributed unequally” (2005, p. 55). In administration cultures with a high level of power distance, power is centralised as much as possible in a few hands and subordinates expect to be told what to do. Subordinates usually accept power relations that are authoritarian and show their superiors great respect (ibid). Subordinates are not expected to challenge authority openly or to participate in decision-making; they are expected to exclusively take orders (Munene, Schwartz, and Smith, 2000).

As with political neutrality vs. political bias, this dimension of administration culture also relates to compatibility. More specifically, it relates to compatibility at two levels. The first level concerns to what degree the existing administration culture in OAGZ is compatible with the performance auditing process (cf. section 2.2). Performance auditing requires the individual auditor to make a number of trade-offs and choices. Further, it also requires the audit reports to go through an editing process. Assume that OAGZ has a high level of power distance. If the Project only ensures development in the human resources of people at the ground level there is the risk that the knowledge will not be utilised optimally. The rationale behind this argument is the theoretical assumption that subordinates are not expected to challenge or to participate in decision-making. Based on this line of argument I propose the following hypothesis:

*Hypothesis 4: If power distance is at a high level in OAGZ, and OAGN only contributes with development of human resources at the ground level, low utilisation of the acquired knowledge will be the result.*

The second level concerns to what degree the existing culture in OAGZ is compatible with the underlying idea of *how* a policy transfer process is implemented. A policy transfer process involves interaction between two or more actors where some are senders and others are recipients (Dolowitz and Marsh, 2000, p. 10). In the case at

hand, OAGZ can be regarded as the borrower and OAGN can be regarded as the lender. As mentioned initially the purpose of a policy transfer is to make policymakers better equipped for dealing with “common problems”. This presupposes that the lender has the opportunity to share knowledge about policies, administrative arrangements, institutions, and ideas (ibid, p. 5). I argue that power distance is a relevant variable because how the various actors involved in a process score on this dimension might affect the interaction between them. Although previous studies have examined how *which actors* are involved in the process influences the policy transfer, little knowledge exists on the effect of the hierarchic relationship between the different actors. This level of compatibility has particular significance for my second dependent variable, organisational resources. It relates to how OAGZ’s level of power distance may influence OAGN’s relationship with employees high up in OAGZ’s hierarchy. This encompasses situations where OAGN attempts to influence decisions made at a high level or attempts to influence how employees at a high level conduct their work.

Based on the discussion above, I propose a fifth and final empirical expectation to be tested in the analysis:

*Hypothesis 5: If power distance is at a high level in OAGZ, low organisational resources along dimensions 1 and 2 will be the result.*

## 4 Data and Methods

As established initially, this thesis has adopted a qualitative case study approach. The primary aim of this study has been to gain in depth knowledge about a specific policy transfer process. The case study method is therefore suitable, allowing for a holistic analysis with “thick descriptions”. Case studies provide the opportunity to go in depth and gain insight into both decision-making processes and causal mechanisms (Geertz, 1973; Gerring, 2007, pp. 40-49).

I begin this chapter by describing the choice of case. In addition, I elaborate on how the semi-structured interviews and document studies have been utilised during the study. I conclude with a discussion of the most important strengths and weaknesses of the research design, with a focus on the issues of reliability and validity.

### 4.1 Choice of Case

A *case* refers to a phenomenon delimited in space and time (Gerring, 2007, p. 19). The case of study is “the policy transfer between OAGN and OAGZ during the period of 2008 to 2013”. Calling something a case also implies that the phenomenon relates to a larger class of cases (Gerring, 2007, p. 13). The policy transfer under study can be seen as an instance of “policy transfer of performance auditing in sub-Saharan Africa”.

In order to make findings transferable to similar instances, my choice of case was motivated by the technique *typical case selection*. According to Gerring, this technique involves choosing a case based on its similarity to the larger class of cases (2007, p. 91). The overall thematic motivation for the study was an interest in policy transfer of good governance policies. More specifically I was interested in the influence of aid in enhancing the capacity of human and organisational resources in performance auditing. The Project came forth as an empirical example of a promotion of good governance where aid had been provided in order to enhance the capacity of both human and organisational resources. OAGN is the main actor in Norway within this field and provides assistance to several SAIs in the developing world. An



empirical focus on OAGN's development work therefore appeared to have practical value in addition to a thematic fit. Furthermore, choosing a policy transfer influenced by a Norwegian actor will hopefully give the findings increased relevance to the immediate audience of readers.

A further criterion for the choice of case was to select a country where a policy transfer on performance auditing specifically has been conducted. Choosing OAGN's support to OAGZ was a natural choice as the focus has explicitly been on building capacity in OAGZ. Practical reasons also contributed to the choice of case. Because my ambition was to get the most accurate description of a policy transfer as possible, I had to ensure a broad access to both respondents and documents. Therefore, I contacted OAGN with my project outline with the intention of gaining this access. In a consolidation meeting with OAGN it was discussed which cooperation projects that were appropriate. Both their cooperation with the National Audit Office of Malawi (NAO-Malawi) and OAGZ were potential candidates. Due to the question of the best access to data, OAGZ was preferred.

The choice of case was made to ensure that findings from the case study could shed some light on similar cases of policy transfer of performance auditing. Many have seen the role of SAIs and performance auditing as an important tool for enhancing good governance (cf. chapter two). Nevertheless, the issue of policy transfer of performance auditing is an underexplored field in the political science literature. This thesis aims at contributing to this scholarly literature.

## **4.2 Interviews**

According to King, Keohane, and Verba "the most important rule for all data collection is to report how the data was created and how we came to process them" (1994, p. 51). A great share of my data was collected during a fieldwork in Lusaka, Zambia, lasting from January 2<sup>th</sup> until February 8<sup>th</sup> 2014. In addition, data was collected in Oslo, Norway in the period of February 10<sup>th</sup> until February 14<sup>th</sup> 2014. The Norwegian Social Science Data Service (NSD) had approved the research project

prior to the fieldwork<sup>17</sup>. As mentioned in the acknowledgement, my research project was also financially supported by the foundation *The Nordic Africa Institute* and *OAGN*<sup>18</sup>. The fact that my research project was financially supported by one of the cooperation partners in the Project could put my objectivity at risk. However, I have deliberately tried to guard the objectivity. The money was given without any conditions. Further, OAGN has not interfered with any of my methodological or theoretical approaches, nor have I provided them with any drafts of my thesis. During my stay in Lusaka, I conducted 20 interviews with a total of 27 respondents. Back in Norway, an additional seven interviews with seven respondents were conducted. The average length of the interviews was one and a half hours. Each interview was transcribed verbatim, which in total gave 71.943 words of transcribed text.

In line with NSD guidelines, I emphasised to the respondents that their participation in the project was voluntary, that they could withdraw from the interview at any time, and that the recorded interviews would be treated confidentially and deleted after the end of the project. As for all the respondents from Zambia, a formal letter with an official request for conducting interviews was handed out. The letter emphasised that the research was independent from OAGN, and that OAGN would not be given access to the data collected, only the resulting thesis itself (see appendix 2). This was emphasised to avoid the respondents in Zambia perceiving me as representing any interested party. The interviewer's characteristics and attitudes may affect the answers of respondents. *The social desirability effect* implies that respondents' answers are related to their perception of the social desirability of those answers (Bryman, 2004, p. 220). A Norwegian researcher asking questions about a Norwegian aid program may lead respondents to consciously or unconsciously portray an overly positive image. This effect cannot be excluded, but I tried to diminish it in the ways mentioned.

The sample of respondents consisted of five groups of respondents; respondents from OAGZ, respondents from OAGN, respondents from Parliamentary Committees in Zambia, respondents from Transparency International Zambia, and

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<sup>17</sup> Approved December 11<sup>th</sup> 2013.

<sup>18</sup> The project alignment with OAGN was initiated through Vitenskapsbutikken. The scholarship I received from OAGN was cost recovery.

respondents from the Zambian newspaper The Post. Further, the respondents from OAGZ were divided into two subgroups; respondents from Planning and Information Directorate, and respondents from the Performance Audit Section. All in all I interviewed seven persons from OAGN, four persons from PID, 11 persons from PAS, seven MPs from two different committees, two persons from TIZ, and two persons from The Post. As far as the anonymity of the respondents was concerned I chose to provide them with full anonymity. This decision was made in consultation with NSD due to the sensitive nature of the questions. The respondents were asked to describe their relations with their superiors and to politicians, which could reveal cases of corruption. Also, the population of respondents was not large enough to guarantee the selected respondents that their answers could not be traced back to them. Therefore, the list of respondents in appendix 1 only describes how many respondents were in each of the different respondent groups.

In social science research a significant distinction is made between selecting respondents through *random sampling* or through *non-random selection*. The former involves that each unit of the population has a known probability of being selected. This is essential if the aim of the study is to make causal inferences about a population, as the method avoids selection bias (Tansey, 2007, p. 768). As discussed above, this thesis has modest ambitions of generalisation and aims rather at gaining in depth insight into the particular phenomenon under study. Therefore, respondents were chosen based on the latter method. The selection was based on the snowballing, or chain-referral sampling method. The advantage of this method is that it provides the researcher with respondents who have a particularly good overview, and insight into the questions under study (Andersen, 2006, p. 295). This method is common when the population of interest is not fully visible from the onset (Tansey, 2007, p. 770).

By this method, I identified an initial set of relevant contact persons and asked them to suggest other respondents of relevance to the topic. Roughly speaking, the total sample of respondents has resulted from three such chain-referring processes. In the initial phase of framing the study, I established contact with the LTA from OAGN. He suggested a list of 13 respondents from OAGZ with representatives from both PID

and PAS. The second chain of referrals resulted from the contact established with different contact persons within OAGZ. After arrival in Lusaka I had an introductory meeting with all the relevant respondents, where I presented my research project. The Deputy Director of PAS suggested further three auditors from PAS. In addition, the Director of PID suggested MPs, and a representative from the information department provided me with respondents from The Post and TIZ. Because of the very formal structures in Zambia, I was not able to establish contact with The Post and TIZ myself. I first tried to contact both of them by myself, but without success. Meetings were therefore set up with the help of a representative from OAGZ. As to the MPs, it would not have been possible to arrange interviews without the help from OAGZ and assistance from the Norwegian Embassy in Lusaka. According to Parliament, The Norwegian Embassy had to write a letter of request on my behalf, which was delivered by me in person accompanied by OAGZ's parliament contact. The third chain-referral sampling procedure started when I came back to Norway after my fieldwork in Zambia. I approached my contact person in OAGN and asked him which persons within OAGN would be useful for my study. He provided me with a list of seven respondents, including the LTA, STAs, project coordinators, and the Director of the International Department. My contact person set up meetings with each of these persons.

When the interview data is presented in the empirical and analytical chapters, it will be rendered verbatim. The only exception is references to persons, functions, departments, and organisations. For example, if a respondent referred to the LTA by his name I would write [the LTA] in the quotation.

### **4.3 Document Studies**

In order to assess the goals and activities related to human resources and organisational resources I have relied upon a wide range of documents. I have examined the annual plans of the Project, the Project Document, OAGZ's Strategic Plan of 2008-2012, budgets, various progress reports, contracts regarding the LTA, and status reports from the LTA and STAs. I have also examined the evaluation of the Project performed by NAO-Sweden 2012 and the mid-term evaluation conducted by

Deloitte in 2012. The main documents for assessing the formal institutional independence of OAGZ have been the Audit Act from 1989, the Public Finance Act No. 15 of 2004, and the quality assurance conducted by AFROSAI-E from 2010. OAGN's Handbook for Development Cooperation, letter exchanges between the two Auditor Generals, and the Project Document were important documents in assessing whether the policy transfer had been voluntary or coercive. OAGZ's Strategic Plan of 2008-2012 was also used in assessing to what degree OAGZ could be characterised as politically neutral. In total the documents amount to approximately 2000 pages of text. The documents were coded and analysed based on the theoretical operationalizations in chapter three.

By taking into consideration documents from both OAGN's and OAGZ's side, as well as documents produced by "neutral parties" such as NAO-Sweden and AFROSAI-E, I have tried to reduce the chances of creating a bias by avoiding to frame my understanding of the process from a one-sided perspective. It should be stated that the documents have not been sufficient alone to answer the research questions. For instance, status reports from the LTA were only provided in 2011 and the annual plan of 2008 was missing. Due to the fact that there was a relatively limited amount of written information on certain aspects of the Project the document studies were complemented by interviews.

## **4.4 Reliability and Validity of Data**

Validity refers to how appropriate the chosen measuring instrument is for tapping the underlying phenomenon of interest. Reliability refers to how consistent results would be with the repeated use of the same measuring instrument (King et al., 1994, pp. 25-26). Although analytically distinguished, reliability and validity are related as validity presumes reliability. In the words of Bryman: "If your measure is not reliable, it cannot be valid" (2004, p. 75). I therefore begin by discussing the reliability of my findings, before a discussion of their validity.

I identify four possible threats to the reliability of my results: the composition and size of the sample of respondents, the flexibility of the questions asked, and the operationalization of the theoretical concepts. I now elaborate on these threats, whilst

providing justification for my choices and explaining how I have tried to diminish them. A potential risk with using the snowballing method is that respondents might suggest persons similar to themselves, creating a selection bias. The sample may contain an overrepresentation of interviewees with similar characteristics, which might give a rather homogeneous group of respondents. This threatens the reliability of the results, since other findings could arise from a differently composed sample (Tansey, 2007, p. 770). Since three different snowballing processes guided my sampling procedure, I ensured that the groups of respondents became somewhat heterogeneous, reducing the potential skewedness of the sample. My deliberate choice of having different groups of respondents was also an attempt towards reducing the potential skewedness. Let me provide some illustrative examples. In the assessment of the political neutrality of OAGZ, I complemented the interviews conducted within OAGZ with interviews from the other informant groups. In the assessment of the power distance in OAGZ I interviewed staff at different levels within OAGZ, as well as asking representatives from OAGN.

The fact that the sample of respondents is limited may cause a second threat to the reliability of the results: other findings could have come forth from a larger sample. Thus, including respondents beyond the 34 interviewees could probably have increased the reliability. It would have been relevant to speak to more persons from the Zambian side. The reliability could for example have been improved by conducting more interviews within PID, with the AG and more MPs. Unfortunately, practical- and time constraints made this difficult to achieve. That being said, 34 interviewees is a reasonable number of respondents, so the reliability has not been hampered to a large extent. I interviewed all the employees from OAGN involved in the Project besides from one, and 11 out of 18 employees in the PAS.

A third threat to the reliability of the study concerns the questions asked. The topics of conversation were to a certain extent different between the five groups of respondents, but largely similar within the individual groups. Since the respondents from the different groups had diverse involvements I sought somewhat different information. In addition, respondents would in some instances point my attention towards issues of relevance to the research questions that I was not previously aware

of. Therefore some questions were added throughout the interviewing process. Since I did not use an identical interview guide for all respondents, it could be difficult to replicate the study and achieve the same results. Although the flexibility of the semi-structured interviews has compromised the reliability, I argue that this was the right choice. The nature of the research questions makes it necessary to gain insight into the respondents' beliefs and values and to get information about events and decisions, which semi-structured interviews allow (Andersen, 2006, p. 279). It is also argued that elites, which many of my respondents can be characterised as, are rarely comfortable with giving answers in the form of fixed response categories (Aberbach and Rockman, 2002, p. 674).

I have attempted to reduce these three threats towards reliability by using multiple sources of data. When possible, I have checked the information obtained through interviews against written sources. NAO-Sweden and Deloitte have both conducted a comprehensive evaluation of the Project, and AFROSAI-E has assessed whether OAGZ inhabits formal independence. No significant discrepancies were revealed, confirming a certain level of reliability. However, since these two assessments vary to some degree from mine, these "checks" cannot be regarded as a verification of my findings. That being said, such cross-checking ensures a satisfactory reliability of the data to a greater extent than if the interviews were used alone. The flexibility of a qualitative research design will inevitably compromise the reliability to a certain extent.

The fourth threat to reliability concerns the operationalization of the theoretical concepts in the study. The choices of conceptualisation, analysis, and measures of the various concepts will influence the findings of the study (Andersen, 2006, p. 292). If a different researcher were to conduct a similar study, applying different operationalizations of the theoretical concepts, his or her results would probably be different from mine. However, reliability was here interpreted as "how consistent results would be with the repeated use of the same measuring instrument" (King et al., 1994). Since the concepts were operationalized in a transparent manner, another researcher would be able to arrive at the same results, disregarding the other three threats.

The reliability issues have implications for the validity of the results. Validity is a broad concept with a range of dimensions. The *external validity* of a study concerns to what extent it is possible to make non-statistical generalisations to and across individuals, time, and places with a reasonable degree of certainty (Lund, 2002, p. 121). The potential for generalisation is often weak in case studies, as the unit under focus is not necessarily representative of the population (Gerring, 2007, p. 20). The case study method is therefore commonly critiqued for its low scores on external validity (Gerring, 2007, p. 43; Lijphart, 1975). However, I argue that generalisation is a matter of degree (Gomm, Hammersely, and Foster, 2000). Findings from a case study, though perhaps not *perfectly* representative of the population, may have transferability to some similar cases of the population. Furthermore, the findings from a case study can offer “working hypotheses” that can be used for understanding other cases (Lincoln and Guba, 2000). A discussion of the potential for generalising the findings from this study is discussed in detail at the end of the conclusion.

*Construct validity* refers to whether the empirically operationalized concepts measure the underlying theoretical concept of a study (Lund, 2002, p. 106). Chapter three largely focused on developing a sound operationalization of the various concepts. The construct validity is thus argued to be rather high. Another point indicating high construct validity is my choice of semi-structured interviews. This is generally seen as a method that ensures high concept validity, because it relies on open-ended questions. One can thus get a comprehensive answer; capturing more of the relevant concept than if the interviews were structured (Aberbach and Rockman, 2002, p. 674).

A concept closely related to construct validity is *measurement validity*, which refers to whether a measure of a concept really measures the underlying concept (Bryman, 2005, p. 72). There is the possibility that the respondents could have understood the questions and concepts differently, jeopardizing the validity. I have attempted to reduce this risk by adding specific questions that captures the various elements of the theoretical concepts of my study. *Internal validity* concerns whether the relationship between the variables in the analysis can be interpreted causally



(Lund, 2002, p. 106). The study's internal validity will be discussed in detail during the analysis (see p. 78 and p. 61).

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# 5 Empirical Evidence: Performance Auditing in Zambia

This chapter presents the empirical findings on the explanatory variables and on the human resources and organisational resources within OAGZ. This provides me with the empirical evidence necessary for answering my two research questions, which will be the focus of chapter six. The empirical findings in the explanatory variables are presented in sections 5.1-5.3. These sections aim at answering the following three questions: To what degree has the policy transfer been voluntary? To what degree does OAGZ hold formal independence? How is OAGZ's administration culture in terms of political neutrality vs. political bias and power distance? Section 5.4 deals with the empirical findings on OAGZ's human and organisational resources.

## 5.1 Voluntary or Coercive Transfer?

According to OAGN's Handbook for Development Cooperation, *national ownership* should form the basis for OAGN's cooperation with other SAIs. Cooperation projects should be based on the partner-SAI's strategic objectives and operational activities. *Partner responsibility* is another principle that guides OAGN's development cooperation. The principle is based on the idea of the partner-SAI being given the main responsibility for their own development, including planning, implementation, achievement, and reporting activities. OAGN is only supposed to have an assisting and advisory role. The collaboration activities shall, to the greatest extent possible, reflect the partner-SAI's own strategic plans and priorities. OAGN's main responsibility is to provide highly qualified personnel for capacity building within the agreed areas (OAGN, 2008, p. 7). OAGN's cooperation projects are organised according to a project cycle, which is also directed towards policy transfer based on voluntariness. The cycle has five phases: request, identification, design, implementation, and final phase. It is especially in phase one and two that the principle of voluntariness appears. A main principle for the request phase is that judgements of institutional cooperation should be based on a formal request from the partner-SAI. During the design phase, a project agreement and a project document are

prepared. The project document shall be based on the partner-SAIs strategic prioritisations.

When asking representatives from OAGN about what principles guided the policy transfer with OAGZ, all of them mentioned the importance of voluntariness, national ownership, and partner responsibility. Furthermore, I asked one of my respondents from OAGN whether it would have been salient for them to make their aid conditional. To this question the respondent replied as follows:

No it is not like that and it will never be like this either. We shall define together with [OAGZ]. Our starting point is *their* strategic plan (...). We must listen to them to find out how we can help them to reach their objectives.

The document studies confirm the aforementioned claim. It confirms that the focus of the Project has been on supporting the implementation of OAGZ's Strategic Plan. Through the assessment carried out in February 2008, OAGZ's *needs* were identified. It was proposed by OAGN that OAGZ should make the final suggestion on the cooperation activities (NAO-Sweden, 2013). The Project Document for 2010-2014 was based on OAGZ's suggestions from the assessment and OAGZ's Strategic Plan of 2008-2012 (ibid). The contract between OAGN and OAGZ regarding the LTA also indicated a high level of voluntariness: "in the event of the LTA being requested by OAGN to perform other assignments outside this contract, prior approval has to be obtained from OAGZ" (OAGZ/OAGN, 2011, p. 3). In the beginning of 2012, OAGN made an effort to expand the responsibilities of the LTA. In a letter to the AG of Zambia, the AG Jørgen Kosmo suggested the following:

The cooperation between our two institutions has built on mutual transferring of knowledge between colleagues through short term advisors as well as posting of a Norwegian long term advisor in your office" (...). We believe that this way of co-operations has been a fruitful and successful approach. Posting [an LTA] in Zambia is, however, a huge financial burden to my office, and the mandate of the long term advisor must consequently be in-line with what both offices believe will give a further impact regarding the strengthening of the capacity of [OAGZ] (...). There are some key areas in [OAGZ] where there are unexploited potential for further development. These are mainly linked to the systems and procedures to ensure uniformity and efficiency in project management and more general institutional planning (OAGN, 2012b).

To this request the AG of Zambia, Anna. O. Chifungula, responded as follows:

I have noted your suggestion in your letter to broaden tasks for [the LTA] (...). The main areas of concern that have remained outstanding where we need [an LTA] are those indicated in our earlier request for a new [LTA]. In those areas we need to improve on the skills required for conduction of specialized audits and would ordinarily entail training more staff across various departments to be able to conduct specialised audits (OAGZ, 2012c).

The fact that the tasks for the LTA were never broadened indicates that the Project can largely be characterised as a voluntary policy transfer. This is also the perception of all of my six respondents from OAGN. When asking them to what degree they perceived the Project to have been voluntary from the Zambian side, all responded that that they perceived it as being voluntary. One of the respondents responded as follows to the question:

I would say that the Project to a high degree has been voluntary (...). They have always been very interested in support on specific audit projects, and the support provided by [the LTA]. We have not exerted any pressure.

During my fieldwork in Zambia I posed the same question to the various representatives of OAGZ. Together I asked 18 respondents to what degree they perceived the policy transfer with OAGN as voluntary. Four of the respondents were from PID and the remaining 14 were from PAS. All of these respondents, both at management and ground level, perceived the policy transfer to be fully voluntary. The respondents indicated that the policy transfer was something that *OAGZ* wanted, and that the activities carried out through the Project were based on *OAGZ*'s requests. I also asked the respondents more specific questions; whether they had ever felt threatened by the Norwegians and to what degree they felt that activities had been imposed. All of the respondents answered in the negative to these questions. *OAGZ*'s perception of whether the policy transfer had been voluntary or coercive can be exemplified by the following response from a respondent at PAS:

This project has been very voluntary from our side, it is something we have wanted and something that we have appreciated. It has been great. If Norway tried to initiate something, and we felt it was not harmonising with us we would have said no. For example, if [the LTA] said we should have a course and we felt on the job training was better, we will tell him this. We would debate issues and [OAGN] would never impose. You know, the activities carried out through this project have been initiated by us.

A respondent from PID stated the following:

It was not pushed upon us, when this project started it started because we had deficiencies in the office we could not sort out, because we did not have the capacity and therefore we had to ask for assistance. Problems were identified, and because we didn't have proper equipment we could not train people the way we wanted. We just had very little capacity and therefore when we sought assistance from Norway it was because we had identified our weaknesses of what we needed strengthened and we could not do it our self, we needed foreign assistance to come and help us. It is something that we started by our self, it was not imposed upon us, it was a voluntary thing.

Based on the above presentation I conclude that the policy transfer to a high degree has been voluntary from the Zambian side. The findings indicate a policy transfer that is located on the lesson-drawing end of the continuum, as the transfer occurred as a result of OAGZ's free choices (cf. section 3.3.1). The findings seem to be uniform across the document studies and interview data, as well as uniform across the different groups of respondents. In section 6.2, I discuss how the high voluntariness affected the outcome of the policy transfer.

## **5.2 Does OAGZ Hold formal Independence?**

The main role and function of OAGZ is to ensure that the provisions of the Constitution regarding collection and application of public resources are complied with, and to contribute to public accountability and transparent financial management. OAGZ is required to audit all the revenue of the Republic of Zambia (Constitution of Zambia, 1991). OAGZ's mandate is enshrined in the Constitution of Zambia and in subsequent laws. With the passage of an Audit Act in 1980, OAGZ and the position of the Auditor General were established under Article 121 (2) (Government of Zambia, 1980). Through this article, OAGZ was provided with a mandate to carry out independent audit services of the Government. In addition, section 45 (1) of the Public Finance Act No. 15 of 2004 states that:

The Auditor General shall carry out Performance and Specialised Audits in respect of a Ministry Government Department or Statutory Corporation as the Auditor General shall consider necessary and shall prepare a report on the audit for submission to the President for onward Transmission to Parliament (Government of Zambia, 2004).

Based on the operationalization of formal independence (cf. section 3.3.2), I pose the following question: “to what degree is financial-, recruitment-, and decision-basis independence secured through OAGZ’s legal mandate”? To answer this question I rely on document studies and interviews. First, it was revealed that OAGZ lacks financial independence. OAGZ depends on funding from the Ministry of Finance, meaning that the executive branch decides its budget. As stated by one of the respondents from PAS:

Our office has no control over our own budget. It is the Ministry of Finance that decides how much money the office gets. We propose a budget, but there is no guarantee that we get what we ask for. Therefore, there is no guarantee that we can carry out as many performance audits as was initially planned. There is also the risk that the executive can use the budget mechanism to perform economic sanctions. For example, if we audit so-called grey areas and the Government does not like it, there is always the risk that they will reduce our budget as punishment.

The second dimension of formal independence is recruitment independence. OAGZ lacks the mandate to recruit personnel without interference from the executive branch. OAGZ is not independent when it comes to hiring auditors, as OAGZ has to follow the rules and regulations of the Public Service Commission (PSC). Because the PSC is located under the Cabinet Office, which is a department of government, the recruitment is not independent from the executive branch.

The last dimension of formal independence is decision-basis independence, which consists of three sub-dimensions; selection of audits, selection on how to review the audit object, and selection of which conclusions should be drawn from the audit. OAGZ holds high independence regarding all of the three sub-dimensions. One respondent from PID had the following description of decision-basis independence:

Our Constitution is clear on who should decide that. The Constitution says that no one can direct [the AG] on what to do. Meaning that [the AG] has the power to decide on what she wants to audit, how she wants to audit it and what conclusions are drawn from it.

Another respondent from PAS illustrated the decision-basis independence with the following example:

We decide what to audit, how to audit and what conclusions are to be drawn. I give you an example. Here we have what we call the Constituency Development Fund (CDF). The Constituency would get the money directly from Parliament. We recently did a performance audit on that and we found that the fund is basically owned by the members of Parliament. It has become a campaign tool, because you will say if you vote for me I will build a school. However, we found in our assessment that they could build anything, sometimes they build a shop where it has been promised a hospital. This [CDF] report might be characterised as a bit controversial. If the member of government says: no you cannot audit this, we will still go through. We also draw the conclusions that we consider to be the best for the country. We said: let the fund be run by the technocrats and not by the politicians.

Based on the above presentation a conclusion is made about the question: “to what degree does OAGZ inhabit formal independence?”. I would argue that OAGZ inhabits a medium to low level of formal independence. The fact that OAGZ scores low on financial independence and do not have the mandate to appoint and fire their own personnel decreases the overall score. The question of how these results have affected the outcome of the policy transfer will be elaborated upon further in section 6.2.

## **5.3 What Characterises the Administration Culture in OAGZ?**

In this section I attempt to map the administration culture in OAGZ by following the two main cultural dimensions hypothesised in chapter three: *power distance and political neutrality vs. political bias*. Each dimension has a set of questions (see Appendix 1), and the questions reflects the degree to which OAGZ’s staff themselves perceive each of the administration culture dimensions in the organisation.

### **5.3.1 Politically Neutral or Politically Biased?**

OAGZ’s Strategic Plan of 2008-2012 provides the office with the following value statement: “The Office of the Auditor General upholds integrity, confidentiality, impartiality and trust in the manner in which it performs its functions” (OAGZ, 2008). The question is whether these values were also found in the interviews. The empirical

findings show that there was an overwhelming consensus in the view that political neutrality was an important value in the conduct of their work. When I asked the general question “which values and norms are important in conducting your work?” 10/14 emphasised political neutrality as an important value. This was confirmed by their answers to more specific questions. When asking to what degree their technical advice should take precedence over the politicians’ views, 13/14 answered that their technical advice should take precedence to a high degree. When asked whether it is an advantage or disadvantage if OAGZ shares the political view of the ruling government, 12/14 stated that it was a disadvantage. Lastly I asked them to what degree OAGZ *should be* neutral in relation to politicians and to what degree OAGZ *was* neutral in relation to politicians. 14/14 answered that they both should be neutral and that they factually were neutral.

The respondents from OAGN were asked the following question: “To what degree would you say that neutrality and objectivity are important values in the conduct of OAGZ’s work”? Six out of the seven respondents were given this question and all of them confirmed that OAGZ was highly politically neutral. Two of the respondents specified that they had never experienced any kind of sign of OAGZ being anything but neutral. However, 4/7 recognised that there were some differences between OAGN and OAGZ in terms of the degree of neutrality. Despite this they emphasised that seen in an African context, OAGZ was to a high degree politically neutral. During the fieldwork in Zambia I interviewed two Parliament Committees, which together accounted for seven respondents. All of the respondents perceived OAGZ as being politically neutral to a very high degree, and none of them could give examples of OAGZ acting in the opposite manner. Further, when asking them to give reasons for why they appreciated performance auditing reports, all of the respondents mentioned that the reports were a source of neutral information. A respondent from a Parliament Committee stated the following:

You may have to notice that the office is the watchdog institution to ensure that the resources of the country that have been provided (...). Because when you receive reports from government institutions in most instances they do not reflect the correct position (...). If we rely on reports from government institutions and we do not look at the AG-report we will be misleading the



public and thinking for example that the women's rights have been enhanced when it actually have not. (...). You have to know that in our country there has been a lot of abuse of government resources. Year in and year out the [OAGZ] reports will highlight these misapplications of resources (...). We rely on the reports of [the AG] to establish whether the reports of the government institutions are correct.

In addition, when asked to describe OAGZ as an institution, several of the respondents from the parliament committees emphasised the importance of OAGZ as an institution of good governance.

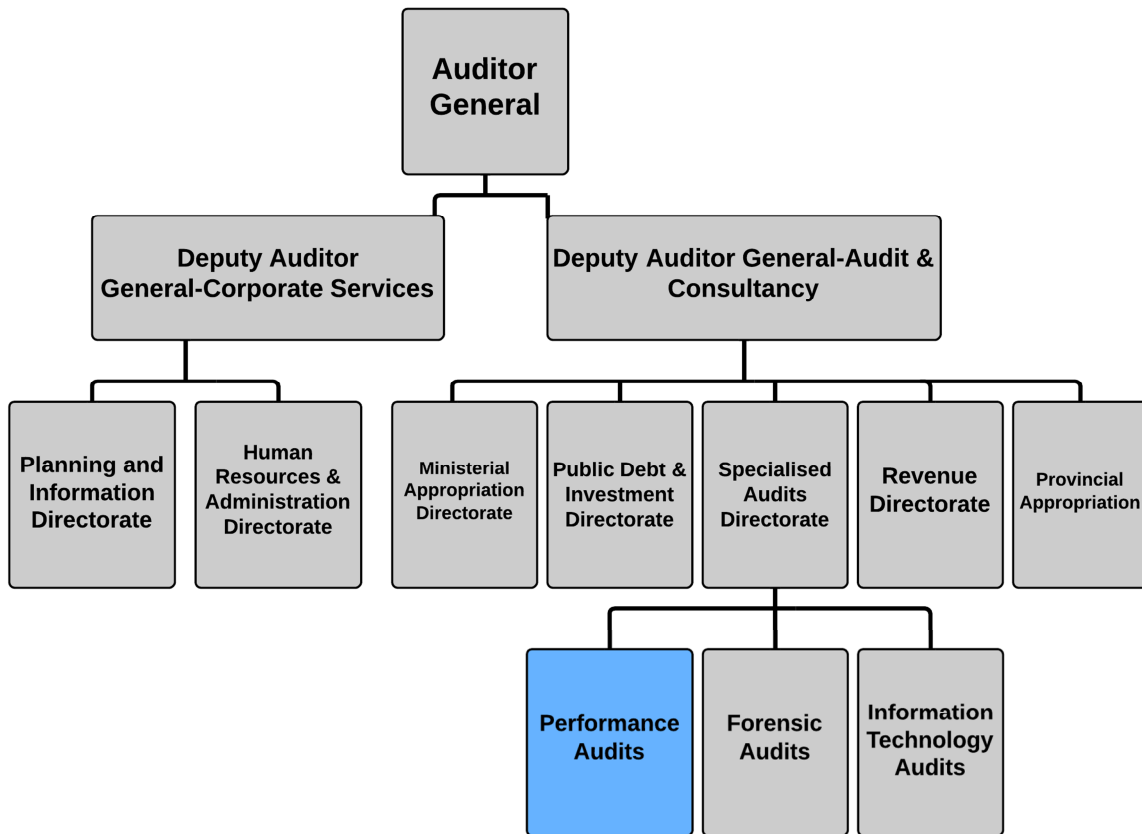
The two respondents from the Post were asked to describe OAGZ as an institution and reflect upon to what degree OAGZ could be considered politically neutral and objective. Both of the respondents emphasised that OAGZ is an oversight institution. As formulated by one of the respondents: "I think that the office is a very important one, it deals with transparency and accountability in most of the government institutions". When asking the respondent whether or not OAGZ had served this function he replied: "Yes, they do". Both of the respondents were also highly positive in regard to OAGZ's neutrality and objectivity. One of them stated: "Neutral they are. In their reports we have seen no kind of bias. And even in their comments supporting what they have discovered you see that they give the other party the opportunity to explain. And yes, they are also very objective". When asking them if they considered OAGZ as an ally in exposing bad governance they both answered yes without hesitation. The answers that were given by the two respondents from Transparency International Zambia to the questions above coincided with the answers of the respondents from The Post.

To sum up: can OAGZ be described as politically biased or neutral? The findings suggest a high level of political neutrality within OAGZ. In section 6.2 I will elaborate on how this score on political neutrality vs. political bias might have affected the policy transfer between OAGN and OAGZ.

### **5.3.2 High or Low Level of Power Distance?**

Various questions about power distance were asked, all related to concepts such as hierarchy and level of participation. The empirical findings on this dimension will be divided according to each of the aforementioned concepts.

The head of OAGZ is the Auditor General. Under the Auditor General there are two divisions: Audit Consultancy Division and Corporate Services Division. The latter functions as a support division, and comprises two directorates: The Planning and Information Directorate and Human Resources and Administration. PID comprises two sections, namely Planning, Quality Control, Research and Development Section (PQRD) and the Information Technology Section. The function of the Directorate is to ensure that the office develops and implements all the Directorate Plans within the overall direction of Government priorities. The Reporting function in PQRD includes that the Auditor General's report and specialised audit reports are properly compiled, published, and submitted to Parliament on time. PAS is headed by the Director of the Specialised Audits Directorate, who is followed by the Deputy Director of PAS. The auditors themselves are ranked according to their experience level: the principal auditors at the top, the senior auditors in the middle, and the junior auditors at the bottom. PAS relates to PID when it comes to editing the performance audit reports, in addition to other activities (Msoka, 2008). The organisation structure can be illustrated as in the following organisation chart:



**Figure 5.1 Organisation chart of OAGZ**

It is instructive that all of my respondents from OAGZ hold the view that junior officers have high respect for senior officers. Respect is a result of age and position. One of the respondents on the ground level answered the following when I asked him to what degree junior officers have high respect for senior officers:

I think, at this office we have a lot of respects for people who are higher up in the hierarchy. Which position you have in the Office, for example whether you are a junior auditor or a principal auditor determines how much respect you are given. (...) This is also the case with our relation with the Edit Committee in [PID], we respect them a lot. Another factor that is important is age. Respect comes with age, because age comes with experience (respondent from PAS)

The respondents at the top level confirmed this picture of the hierarchy in OAGZ. One of the respondents in PID stated the following:

One culture, which I find challenging, is that our power structure is relatively tall. The culture is so formal, and it all depends on the position the person has in the office. If I communicated anything and it is not authorised by [the AG] it is an issue (...). I am talking to you now, but it is possible that [the AG] will

call anytime; we have this reporting arrangement in the office. So I know in Norway, when an officer comes to work he knows he is going to this, but here I should give room that anytime I could be called by [the AG] for anything. That becomes the priority. I find that very destructive. We also have the culture, because of the same issue, there are a few issues that the AG would take down and we would not agree, but you have to tolerate.

A representative from OAGN confirmed this view:

[The AG] has a lot of power and she is in a way feared. That is the way it often works in Africa, there is a high level of power distance. And in a way it can be considered as taboo to break with the hierarchy principle.

The implication of these results is that there is a high acceptance of hierarchy, and the respect is a result of power differences, experiences, and relations.

I asked the respondents at the various levels at OAGZ the following three questions regarding level of participation: In OAGZ, to what degree do subordinates expect to be told what to do? In OAGZ, to what degree do you feel that people high up in the hierarchy do not listen to anybody in the workplace? In OAGZ, to what degree do subordinates expect to be consulted when decisions are made? When it came to the respondents' responses to these three questions, there turned out to be no unified opinion. The variation of responses was two-sided; first there were variations within the two different groups of respondents, and second what they responded depended on who in OAGZ they dealt with. None of the four respondents from PID were asked about the level of participation within PAS. However, when I asked about the level of participation between PAS and PID, all of them argued that there was a high level of participation. One of the respondents answered as follows to the question about whether representatives from PAS could expect to be consulted before decisions were being made during the editing meeting of the audit reports:

Yes they do, no changes are made without them, the committee, we sit with them. We project the report. When we are discussing it they will basically be guiding us. Although we can be perceived as located higher in the hierarchy this is no reason for not listening to the auditors at the performance audit section (respondent from PID)

When asking representatives from PAS the same question, five out of the 11 respondents indicated that the level of participation was too low. One respondent

expressed the following: “We have a high degree of power distance here. We are us on the ground and then it is the people in PID. We cannot expect to be consulted before decisions are being made”. The remaining six respondents were satisfied with the level of participation and stated that they were consulted before decisions were made. This can be illustrated by the following statement:

In terms of that we have a lot of freedom to suggest things for them. They know that we are the ones who know most about performance auditing, and we also feel we are the one who knows the most.

In addition to asking the respondents from PAS about the level of participation between PAS and PID, I asked them to describe the level of participation within PAS. five out of 11 respondents indicated that there was little room for participation in decision making for those who were far down in the hierarchy. One informant stated:

The way I relate to my superiors. It may be a bit different to how a Norwegian may work with their superior. For us it is top-down. Here they tell us to do this and this. But what I have noticed with Norway there everybody could suggest the way the work should move. If I tell my junior to do a, b, c then there will be very little room for the junior to say that they want to do it another way.

A group of three respondents indicated that the participation level was too low, but that there was still room for participation. The following statement can illustrate this:

The way we work here is top-down-approach. When we start an audit my juniors have to amend their work, when I review them, if there is anything to change I give it back to them. But I think when we are in a team or as a unit some of those barriers are broken, if my junior officers seem to know a bit more I am going to give him freedom to go ahead, he can take the lead and guide me. I think we do not strictly adhere to that, we keep it open, and whoever seems to know more or understand this better. It is all about communication, and we give them the freedom.

The remaining three respondents expressed exclusively that the level of participation was high. To sum up, the findings suggest that OAGZ is characterised by a medium level of power distance. All the respondents indicated a high level of hierarchy. When it came to the level of participation the responses were not as uniform. Still, many of the respondents gave indications that subordinates were given a lesser opportunities of participation than people located higher in the hierarchy. In

section 6.2 I analyse in what ways this level of power distance has affected the relationship between OAGN and OAGZ.

## **5.4 Did Human and Organisational Resources Improve?**

The institutional cooperation between OAGN and OAGZ has a relatively long history. The cooperation dates back to the mid-1990s when Norway first started to provide financial support to OAGZ under the auspices of the Restructuring and Institutional Development Project (RIDP). Since then, OAGZ has received financial support through three phases of RIDP, and is presently at the end of its fourth phase, with a planned finalisation by December 2014. Contacts between OAGN and OAGZ were established in parallel to the RIDP project. However, it was not until 1998, when the second phase of the RIDP had started, that OAGN and OAGZ signed a cooperation agreement (NAO-Sweden, 2013). Since then, the support provided through the RIDP has been complemented by an institutional cooperation between OAGN and OAGZ. In the period of 1998-2007, OAGN carried out a number of activities with a primary focus on regularity audit. Some training and experience was also given in the field of performance auditing, IT audit, HR, and strategic planning (ibid).

In February 2008, an assessment was carried out by OAGN in order to identify the needs of OAGZ and point out areas where OAGN could contribute with relevant resources. Performance auditing was put high on the agenda, as OAGZ recognized its lack of adequate expertise in that field (ibid). Although OAGZ has a history that dates back to the pre-independence era, performance auditing is still a new phenomenon. It was not until 2004, through the Public Finance Act no. 15, that OAGZ was mandated to conduct performance audits. In the period of 2004-2007, OAGZ only had 4-5 auditors in PAS and no audit reports were tabled in Parliament (OAGN, 2011a)

### **5.4.1 Focus and Scope of the Project**

When the Memorandum of Understanding for the new period of the Project was signed in November 2009, there was no project document to guide the cooperation. During the assessment in 2008 the following needs related to

performance auditing were identified: need for staff sensitisation on manual, training, and improved quality assurance. It was not until 2010 that a project document was finalised. The Project Document was formulated alongside the objectives identified in OAGZ's Strategic Plan (2008-2012)<sup>19</sup>. In relation to performance audit the Project Document outlined six areas: performance audit training, sensitisation of management on performance audit, training in quality assurance, joint audit/training with NAO-MALAWI through AFROSAI-E, sensitisation of stakeholders, and sensitisation of management on the importance of increased recruitment of performance audit staff (OAGZ, 2010a). The Project Document also indicated that the parties should develop a performance audit manual during the project period. As for the contract between OAGN and OAGZ regarding the LTA, the following objective was of relevance for performance auditing: "assist in building capacity in, as well as further institutionalising performance auditing in the Office of the Auditor General of Zambia". In order to reach this objective, the LTA was supposed to carry out the following activities: conduct short term (in house) courses and introduction programme in performance auditing, provide training in qualitative and quantitative techniques for collection and analysis of audit evidence, provide guidance on planning and execution of performance audit assignments, including on the job training by participating in audit assignments, provide a guideline for report writing, assist in customising the performance audit manual to the AFROSAI-E template, and assist in sensitising key external stakeholders (OAGZ/OAGN, 2011).

In addition to the Project Document and the LTA contract, annual plans played an important role in the planning and implementation of activities. According to an evaluation conducted by NAO-Sweden, the annual plans seem to have had a greater impact on managing the Project than the Project Document (NAO-Sweden, 2013). The annual plans from 2009-2012 are summarised in the following table<sup>2021</sup>.

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<sup>19</sup> OAGZ's objectives in the Strategic Plan were as follows: (a) increase audit coverage and scope through improved audit methodologies and specialised audits; (b) Human Resource Management that improves the performance of the OAG; (c) improved co-ordination and collaboration with all stakeholders to ensure increased awareness and mutual understanding; (d) efficient and effective operations through improved resource management and logistics; (e) enhanced cooperation and information flow to ensure better decision making, and (f) enhanced monitoring and evaluation mechanisms to ensure overall good office management (OAGZ, 2008).

<sup>20</sup> Annual plan for 2008 was not found.

<sup>21</sup> Table derived from information found in: (OAGZ, 2009; OAGZ, 2010b; OAGZ, 2011a; OAGZ, 2012a).

**Table 5.1 Overview of the annual plans of the Project**

Year	Learning objective	Approach	Expected product	Role of OAGZ	Role of OAGN
2009	Building of competence	On the job training	Performance audit reports and enhanced performance audit reports	Participate as auditors and learners	Provide training
	Sensitise Parliament on the importance of performance auditing	Two separate workshops	Enlightened Parliament on performance audits	Prepare material for training	Facilitate
	To build capacity of OAGZ staff in performance auditing	Workshop and classroom training	Skilled OAGZ staff on performance auditing	To provide staff for training	Facilitate
2010	To build capacity of OAGZ staff in performance auditing	Workshop and classroom training	Skilled OAGZ staff in performance auditing	To provide staff for training	Facilitate
2011	To build capacity of OAGZ staff in performance auditing	Joint performance auditing on Zambian Wildlife Authority	Performance audit report on Zambian Wildlife Authority	To appoint a team for the audit to OAGN	Facilitate workshop on planning and reporting
2012	To build capacity of OAGZ staff in performance auditing	Joint performance auditing on Zambian Wildlife Authority	Performance audit report on Zambian Wildlife Authority	Complete the analysis Draft report	Facilitate workshop and on the job training

When I asked representatives what the purpose of the Project has been, all representatives from OAGZ answered in accordance with the learning objectives found in the annual plans. The answers focused on training and joint audits in order to enhance the capacity of the individual performance auditors, cf. human resources.



Although both quality assurance and audit manuals were mentioned in the Project Document, none of the respondents mentioned this in their answers. One respondent stated: “The purpose of the cooperation has basically been to improve, to enhance the skills of the performance auditors”. Another respondent commented: “The purpose, I think, has been that OAGN will help us as auditors to conduct performance audits in the right way. We were a bit behind, so the intention has been to provide training so we can carry out high quality audits”. The interviews also confirm the Swedish assessment’s conclusion about the annual plans taking precedence in defining the objectives and activities of the Project: “Every year we make annual plans. If the plans say we are making performance audit manuals then we do it. It does not matter what the objectives of the Project Document have stated” (respondent from PID).

#### **5.4.2 Activities related to Human Resources and Organisational resources**

In line with OAGZ’s strategic plan, the project document, and the annual plans, OAGN has carried out a number of activities with OAGZ. OAGN’s engagement and support seem to have been focused primarily on introductory training in performance auditing, joint audits, and sensitising stakeholders.

Various activities have been initiated in order to provide training at the different stages of the performance auditing process. Both the LTA and the STAs have provided guidance on the planning and execution of performance audits. This has been carried out through on the job training, where the LTA and STAs have participated in the audit assignments (OAGN, 2011a; OAGN, 2011b, OAGN, 2011c; OAGN, 2011d). For example, in August 2011 PAS conducted a two-day training programme in performance auditing for 11 members of staff. The programme aimed at refreshing their knowledge of the performance audit process and essential elements in the performance auditing methodology. Key personnel at the training were the Deputy Director from PAS, one Principal Auditor, and the LTA (ibid). During his stay at OAGZ, the LTA also assisted audit teams with developing pre-study reports by giving guidance on how to formulate audit questions, audit objectives, and audit scope. Once the team had finalised the audit, the LTA helped each team to come up with audit reports. He was instrumental in emphasising conciseness and the linking of

audit findings to audit questions among other things. He also provided guidance in analysis of data and making a clear presentation. The LTA emphasised the risk assessment criteria in the selection of audit topics as well (ibid).

Further, throughout the Project, training in qualitative and quantitative techniques for collection and analysis of audit evidence was provided. A general SPSS course was held together with NAO-MALAWI. In addition, the auditors contacted the LTA when they were in need of assistance with data analysis in their on-going audit assignments (ibid) OAGN has also carried out several joint audits. The OAGN team, consisting of either the LTA or the STA or both, have then worked closely with an OAGZ team on an on-going audit (OAGZ, 2011b; OAGZ, 2012b). The joint audit on the performance audit of the Zambian Wildlife Authority carried out in 2012 can be used as an illustration on how the joint audits were carried out. In 2012 a STA and the LTA provided support to an audit team in OAGZ. Support was given in the analysis and structuring of audit evidence, summarising findings in a way that ensured that all elements were included, and writing the performance audit report. The audit team had in advance prepared a draft audit report, which the STA and the LTA commented on. Among other comments, the audit team was advised to substantiate and better document the findings. The first week of the joint audit the focus was on the introduction, scope and methodology, and the audit criteria. The STA and the LTA gave the audit team various assignments in order to complete the first three chapters of the report. Furthermore, the STA and the LTA provided examples and written feedback on the assignments. The audit team from OAGZ was also given advice on how to structure the factual part of the report, and to identify data which it was necessary to obtain. Altogether, the joint audit lasted 11 days (OAGN, 2012a)

Finally, OAGN has also assisted OAGZ in sensitising key external stakeholders to performance auditing. During the period 2009-2011 major sensitisation programmes were conducted towards Ministries, Parliament Committees, agencies, and the general public. The LTA took part in the sensitisation of members of Parliament, which aimed at raising the awareness of performance auditing. A follow up sensitisation programme was also carried out in 2012, where the aim was to ensure

that the awareness was also raised with the new parliamentarians who were elected into office in September 2011 (OAGZ, 2011b; OAGZ, 2012b).

The activities have been implemented through a LTA and STAs. The STAs have carried out missions lasting 1-2 weeks, while the LTA was stationed in Lusaka, Zambia for four years (2009-2012). The activities have been primarily directed towards staff in PAS, from junior auditors up to principal auditors. No activities were directed towards PID where the Edit Committee is located (ibid). In total, OAGN has contributed 268 working days through STAs and four years of full-time work by the LTA. A tentative estimate of the cost of the OAGN support indicates 7 million NOK (O. Hoem, personal communication, 04.08.2014). The activities have to a large extent been implemented by supporting individual audit teams in OAGZ. The STA approach has been to mix theory and practice, with a strong focus on on-going audit audits (OAGZ, 2011b; OAGZ, 2012b)

The aforementioned description reveals a number of activities related to the development of human resources. However, there seem to have been little or no activities aimed at the development of organisational resources. The LTA had on several occasions advised PAS not only to conduct audit projects, but also include at least one *development project* every year (OAGN, 2011a; OAGN, 2011b, OAGN, 2011c; OAGN, 2011d). These projects were intended to facilitate the organisational resources of OAGZ. For example, in 2011 the LTA suggested that OAGZ should implement a systematic approach for assessing risk as a basis for the selection of the best performance audit projects. For this purpose he provided PAS with a template for the assessment of risk. However, this has never been customised and formalised by OAGZ. Another development project that was suggested was finalising a performance audit manual. The task of customising the audit manual of the AFROSAI-E has however been pending for several years, and had not yet begun during my fieldwork in January 2014 (ibid).

### **5.4.3 Improvements in Relevant Human Resources?**

Human resources concern the skills of staff. This encompasses the ability of OAGZ's staff to carry out the two sub-processes (cf. chapter three). More specifically,

has the Project made OAGZ's staff more skilled at selecting audit objects, carrying out a pre-study, analysis (collecting, interpreting, and presenting data, carrying out quality assurance), and communication (tabling the reports in Parliament)? I now present the project results for each of these stages, based on evidence gathered from interviews.

As for *the selection of audit objects*, several respondents from OAGZ expressed that they felt their skills had developed during the Project. They explained that through the training from the LTA and STAs, they had learned to select an audit area through several criteria. These criteria included the amount of public resources utilised in an activity, high-risk institutions such as government departments that received substantial budget allocations, and traditional risk areas (like the Ministry of Education). Furthermore, the lack of updated performance information for an institution and the magnitude of complaints and expectations from citizens were mentioned as important selection criteria. The respondents emphasised in particular that their skills in conducting risk assessment, depending on the amount of money that had been spent on a given government program or project, had improved through the training and joint audits with OAGN. One informant from PAS stated:

This Project has been very good for us. You know initially it was difficult for us to select audit objects. We did not have the same skills, and so it was difficult to use the right criteria in the choice of audit objects. The fact that we have worked so close with [the LTA] and [STAs] has been important for us where we are now.

Positive results were also indicated in the ability to *carrying out pre-studies*. Several of the respondents in OAGZ's PAS expressed that the Project had improved their skills at defining the specific issue, developing the scope and the design, and determining a timetable. On the job training through joint audits was pointed out as the most important factor in developing these skills. Based on the answers from the respondents in PAS, the more general training seems to have had a minor effect. One of the respondents from PAS posed the following argument:

Performance audit is not like regularity audits, there is never one right way of doing your work. When we carry out a pre-study we need to make a lot of choices. The next time we are carrying out a pre-study, other choices than the one we did last time have to be made. I think the reason why the cooperation

with Norway has given such good results is the way the activities have been carried out. Some of us have gone through the AFROSAI-E's module and that has been good, but that is not the same as having a [LTA or STAs] working with us on a concrete project. Skills needed for producing performance audit reports do not come overnight with one single course, these are skills that need to be evolved gradually, and through the type of interaction we have had with [OAGN].

As for the *analytical stage* it was more difficult to get a clear picture of whether the Project had contributed in the development of these skills. Some of the respondents emphasised that they felt that their skills in interpreting data were still somewhat underdeveloped. Furthermore, they requested that more training should be conducted, especially in regards to quantitative data, in order for OAGZ to reach an acceptable level. Others stressed that the joint audits with OAGN had been helpful in regard to analysing the data and presenting them in a good way. One stated: "Especially the LTA was valuable when it came to analysing our empirical findings. I learned a lot from him because anytime I had a concrete question I could ask him straight away".

No activities were carried out in order to develop skills in *quality assurance*. Within OAGZ the quality assurance of performance audits is provided by The Deputy Director of PAS and the Director of Specialised Audits Directorate. In addition, OAGZ has a quality assurance function that falls under PID. As described by the respondents from OAGZ, skills in quality assurance were the most salient. A few respondents from PAS expressed that the Director of Specialised Audits Directorate did not have the skills needed for conducting a quality assurance. Two of the respondents from OAGN also emphasised the lack of skills of the Director. One of them stated the following:

I am very uncertain of whether the level of the quality control from the management in PAS is high enough. I don't think the Director has the necessary skills to ascertain whether the auditors have a good or poor design and if it is doable or not.

Almost all of the respondents from PAS expressed dissatisfaction with the quality assurance conducted by the Edit Committee in PID. The lack of adequate skills was emphasised as the main problem. Out of the eleven respondents from PAS,

nine indicated that the Edit Committee did not have the knowledge required for such a job. One of them stated:

I would rather that the audit reports was finalised within [the PAS], because a lot of the people in [PID] do not appreciate or understand what performance auditing concerns. It is not their fault, because they have never been given training. Therefore, their understanding of the concept is not correct. I would rather that they don't get involved in the finalisation of the reports, because we tend to face more problems when we are looking at the reports with them (...). I can site two reports that were unnecessarily delayed because Planning have their own view about them.

Another respondent from PAS elaborated on which consequences the lack of skills in the Edit Committee had:

Our performance audit reports are supposed to set the agenda of the country. It is clear that the fact that [PID] lack the skills for editing our reports is problematic for us being an agenda setter. Sometimes you find that the reports are finalised by [the PAS], but by the time they are finished by [PID] the session in Parliament is done and we have to wait for example three months before the next session. Then the issue may have been out-dated, overtaken by events and we will not be adding value to the system.

When asking two of the respondents in PID about the alleged knowledge gap between them and the staff in PAS, the responses varied. One of them stated: "Yes, generally for my unit we have less knowledge". The respondent also emphasised that the problem of delays had improved during the last couple of years. In addition to insufficient skills, some of the delay could be attributed to the fact that that the annual report in regularity audit had a deadline affirmed in the Constitution. The respondent stated: "You will find that pressure is more for finishing that report, let us first finish this, then we will come to performance. Already it puts the performance audits on a lower priority". The other respondent from PID expressed clearly that the skills within the Edit Committee were adequate: "We understand, everybody here is highly educated, everybody here is qualified to edit it. We understand the language of performance audit".

The data derived from both the interviews and the document studies indicated a great improvement in skills in regard to the *communicative stage*. The reason for the increased skills must be seen in connection with the increased skills in the previous

stages of the performance audit processes. Out of the 11 respondents from PAS, nine emphasised that because of the Project their skills in conducting a performance audit had improved greatly. Subsequently this led to increased levels of confidence, which affected their interaction with Parliament. One respondent from PAS stated the following:

You have to understand that before the cooperation with Norway we did not even know how to submit a report to Parliament and how it should be tabled. We did not know, and we had never done it. [The LTA] taught us how to table it in Parliament. It was not the same way as for regulatory audits. The first performance audit report was tabled in Parliament after the Project with Norway began. It was because of the help from them, and especially [the LTA] that we were able to table our reports in Parliament. We didn't have the confidence either, so [the LTA] helped us gain that confidence.

This statement was confirmed by one of the respondents from PID. The respondent expressed that before the Project, OAGZ lacked the confidence needed to submit the reports to Parliament. Furthermore, the respondents stated that an important reason for why no performance audit reports had been tabled in Parliament before the Project was the fear of weakening OAGZ's reputation: "We didn't have the skills needed for producing high quality reports. If we had tabled the reports in Parliament without the sufficient skills they would have lost the respect for us as a professional office". It is evident from the interviews with PAS that they feel that the Project has been critical for their relationship with Parliament. One respondent stated:

"The Parliament listen to us and take our technical recommendations very much into consideration. This is because I think the Parliament sees us as competent auditors that produce high quality reports. This would not have been possible without the Office of Norway".

The respondents from the two parliament committees also stressed the importance of the Project. One of the respondents elaborated as follows:

We are very aware of the cooperation, and I think the Norwegian office has been a good cooperating partner. The cooperation with the office is extremely important. Performance auditing in Zambia is new. I think that [OAGZ] needed the help from Norway to develop their skills in order to produce good enough performance audit reports. I think the cooperation is an important factor for why [OAGZ] has improved on performance auditing. Now I would say that the

reports are of high quality and this gives us accurate information and it also enriches the way we debate or look at that particular sector.

As argued above, OAGZ's communication with Parliament is dependent in their skills on the previous stages of the audit process, their confidence, and their skills in how the tabling in Parliament actually takes place. In addition, the respondents emphasised that the sensitising of Parliament had been an important factor for the success of the communicative stage. Respondents from both PAS and PID said that the Project had been very useful in the sensitisation of Parliament. First, they emphasised that having the LTA present during the sensitisation process had increased their legitimacy. One respondent from PAS stated:

Performance auditing in Zambia was new. We had never tabled a report in Parliament. For performance auditing to be successful in Zambia we needed the Parliament to be on board so we needed them to understand this new concept. Having the Norwegians here when we sensitised them for the first time was invaluable. I don't think we would have received the same response and respect from the Parliament without them. I don't think performance audit had reached the level we are now without this help from [OAGN].

Furthermore, several of the respondents from PAS stressed that conducting the sensitisation with the help of OAGN had endowed them with knowledge on how to carry out such a process. One respondent from PAS argued: "I think we have learned how to sensitise Parliament. We have skills we didn't have before interacting with the Norwegians. And we will use this knowledge when there are new people sitting in Parliament".

In addition to the empirical findings that were directly related to my operationalization of human resources, general statements were found in other evaluations of the Project and more general evaluations of OAGZ. All documents indicated a positive development within OAGZ. According to AFROSAI-E's Quality Assurance Review, OAGZ had "reached a good basis for performance auditing" (AFROSAI-E. 2010, p. 5). In OAGZ's work with the audit report "The Management of National Museums in Zambia", which was a joint audit with OAGN, the team from OAGZ received good references by the collaborating performance auditors from Norway. Their general comment to the team leader was:



Congratulations to you and your team for writing a very good report! We think you have done a tremendous job – the report is clear and stringent and you have interesting and strong findings that are well documented for all your audit questions (...). You have a strong report which really shows that the performance audit work of [OAGZ] has developed considerably.

The Progress Report of 2012 of the RIDP IV and the Project showed that PAS had been able to increase its audit coverage in 2011 by 33 % from 2010. Three reports were earmarked for publication and tabling in Parliament and two further reports were tabled in Parliament. From 2011 to 2012, OAGZ increased its audit coverage from 33 % to 50 % and four reports were published and tabled in Parliament. With capacity built through the LTA, OAGZ was able to increase the number of completed performance audit reports, from three in 2011 to seven in 2012. The evaluation also revealed that the RIDP IV, as well as the Project with OAGN, had resulted in improvements. The improvement included increased quality of the reports, knowledge and confidence of staff, audit coverage, improved working processes, and detail and depth of work. The review observed that the Project had been highly effective, and stated:

[The RIDP] support to [OAGZ] and the technical cooperation with [OAGN] have helped [OAGZ] improve its capacity to conduct specialised audits in Performance (...). Joint audits and other activities with [OAGN] have been of great help in improving capacity through hands on training on the job.

#### **5.4.4 Improvements in Relevant Organisational Resources?**

As discussed in section 5.4.2, few to no activities have been carried out in order to improve organisational resources. The empirical findings derived from the interviews with OAGZ indicate that the results of developing the performance audit manual and the training system are virtually non-existing. OAGZ still lacks a customised performance audit manual, and they do not seem to have a system that ensures training of new staff in PAS. One respondent had the following statement about the training system:

No, we don't have any systems to ensure that new staff and staff that wasn't provided training by the Norwegians get sufficient training. Whether they are provided the training is random. It depends on the team leader of the audit team. I think I got good training from my team leader, but I know of many that

didn't get this training. It is dependent upon the individual team leader (respondent PAS)

Although OAGZ lacks formal training systems, a type of informal arrangement seems to exist. When I asked the respondents in PAS whether there existed any training systems to ensure the spread of knowledge, several of them mentioned a so-called informal training system. One of the respondents explained the system as follows:

We don't have formal systems for training, but we try to make sure that every time new audit teams are chosen there are some that have gotten a lot of training from Norway and some that don't have had this training. We use these resource persons to make sure that the knowledge is spread. They have improved their skills through interactions with the Norwegians, and they share their experiences and knowledge through these audit teams (respondent PAS)

However, some of the respondents stressed that even though such an informal system was useful, it was not sufficient. Some of the respondents also emphasised that the selection of audit teams was not always conducted based on the aforementioned principle: "Using the audit teams for spreading the knowledge has been very good, but also it is not enough. We also need a more formal system to make sure that the spreading of knowledge is not random".

AFROSAI-E's Quality Assurance Review confirms the abovementioned findings. Their assessment revealed a number of challenges that still needed to be addressed, primarily related to the two dimensions of organisational resources. First, OAGZ should develop a performance audit manual where approaches, methods, and procedures are clearly defined. Second, the lack of training systems was also mentioned: "it is necessary to not only capture the lack of formal education/training, but also direct the SAIs own training resources at gaps in the audit process". The evaluations carried out by NAO-Sweden and Deloitte confirm these findings. It should be noted that these studies were not oriented towards the same two dimensions, but their conclusions indicated poor results in terms of the development of systems and procedures (cf. organisational resources) (AFROSAI-E, 2010).

The Swedish assessment revealed that an important factor for explaining these results was a gap in views and expectations between OAGN and OAGZ (NAO-

Sweden, 2013, p. 3). OAGZ's prime focus had been on technical skills, while OAGN's ambition was to also contribute on the organisational level.

## 6 Analysis: Judging and Explaining the Project

This chapter is divided into two parts. The first part will constitute the evaluative analysis, addressing research question one: *To what degree has the policy transfer between OAGN and OAGZ in the conduct of performance audit been successful?* The second part of this chapter is an explanatory analysis addressing research question two: *To what extent does the policy transfer framework explain outcomes of the policy transfer between OAGN and OAGZ?*

### 6.1 A Successful Policy Transfer?

“Successful policy transfer” was delineated to the development of human and organisational resources within OAGZ. The project results presented in chapter five should be read as the first step on the path towards answering this research question. I now summarise these findings on human and organisational resources. At the end of each of the variables, I elaborate on which type of change that has taken place, referring back to table 3.3, which made a fourfold differentiation between combinations of “formal” and “actual” institutional change. The typology has four possible outcomes, successful change, layering, rejection, and informal change.

OAGZ has certainly developed in regard to the first dimension of human resources; skills in the planning process. The staff of OAGZ seems to have developed their skills in both the selection of audit objects and in the conduction of the pre-study. In addition, there seems to have been an increase in their confidence in carrying out these stages of the performance auditing process. The second dimension of human resources focuses on the skills in regard to the executive process of the performance auditing process. More specifically, it focuses on whether OAGZ’s staff had developed their skills in the analytical and communicative stages. Their skills in data collection, interpretation, and analysis have also been developed considerably, but to a lesser degree than for both the aforementioned skills and the skills in regard to the communicative stage. It seems that more training and guidance are needed for these skills to be sufficient. As for the skills in quality assurance, the empirical findings

indicated that these had not developed. The skills needed for carrying out the communicative stage seem to have developed the most. The staff of OAGZ seems to have developed both the skills and confidence needed to table audit reports in Parliament.

What kind of change has occurred in terms of the human resources in OAGZ? I argue that “successful change”. First of all, the various documents of the Project and their stated goals represent the formal change. As presented in chapter five, developing the skills needed for conducting high quality performance audit reports was part of the annual plans, the Project Document, the contract with the LTA, and OAGZ’s Strategic Plan. Furthermore, the findings derived from the interviews with the different respondent groups indicated that change has also occurred in actual behaviour (cf. informal change). As for the skills in quality assurance it is more complicated to identify the type of change that has occurred. As mentioned in chapter five, training in quality assurance was stated as a goal in the Project Document. However, it was not emphasised in any of the annual plans. This makes it difficult to assess whether a formal change occurred or not. Based on the information from the Swedish assessment and regarding the fact that the annual plans had taken precedence over the Project Document, I argue that the development of skills in quality assurance lacked formal change. Interview data indicated that no changes were found in actual behaviour. Therefore, it can be characterised as “rejection”.

A question that must be asked in relation to the developments found in the human resources is whether the improvements found in the human resources can be attributed to the activities carried out through the Project. This is a matter of internal validity (cf. section 4.4). I identify one threat against the internal validity. Some of OAGZ’s staff has also undergone training from other actors, as for example training through AFROSAI-E’s three course module in South Africa. It is likely that some of the improvements in human resources are due to these other actors. That being said, I argue that there is reason to believe that the improvements can largely be attributed to the Project. Let me support this argument. As mentioned initially, performance auditing is not taught overnight. The skills must be given the opportunity to be developed over time. What distinguishes the Project from other training actors is its

long-term perspective, as well as the scope and intensity of its activities. Especially the presence of the LTA for four consecutive years has proven to be very useful. This way, OAGZ has had the opportunity to ask continuously if there was uncertainty related to the different stages of the process. As the empirical findings indicated, OAGZ's staff experienced that general training was less effective than on the job training that was provided.

As for the organisational resources, OAGZ scores low on all the three categories presented in section 3.1: OAGZ lacks a customised performance auditing manual, systems for training new auditors in performance auditing, and well-developed systems for quality assurance. As for the skills in quality assurance, identifying the type of change in the organisational resources is somewhat complicated. In regards to the performance audit manual, the Project Document stated that this should be developed during the project period. It was stated that the LTA should assist in customising the performance audit manual from the AFROSAI-E template (cf. formal change). However, this was not emphasised in the annual plans, hence no formal change (same argument that was used for the skills in quality assurance). Furthermore, no actual change was found in relation to the performance audit manual, therefore a "rejection" had occurred. The change in the training systems can be characterised as "informal change" as changes in actual behaviour were identified through the informal training systems (cf. section 5.2.4).

The second step on the path towards answering the first research question involves raising the perspective to include more than the findings on the specific dimensions of the two concepts. I ask whether the results in human and organisational resources have been sufficient to achieve the overall objective of the Project: "contribute to further improvement in the OAGZ's capacity to carry out high quality audit, thereby promoting transparency, accountability and good governance in the management of public funds". This is a question of *relevance*. When answering this question an important part will be to address the reciprocal relationship between human resources and organisational resources, as well as discussing the concept of *sustainability*.

I argue that for OAGZ to be able to carry out high quality audits, the development of human resources has been invaluable. I argue that whether or not the policy transfer can be characterised as successful must be seen in conjunction with OAGZ's historical background. As mentioned before, performance audit is new in Zambia. Before initiating the Project with OAGN, OAGZ had only carried out performance auditing for four years. The knowledge of what the concept of performance auditing entailed, which skills were needed, and how to develop these skills were lacking. The lack of information was salient at all levels in OAGZ, from the management level down to the individual auditors. PAS had only four to five employees. Because of the lack of skills, lack of confidence, and lack of sensitisation of Parliament, no performance audit reports had been tabled in Parliament before the Project. Furthermore, I argue that whether or not the policy transfer can be characterised as successful must be seen in conjunction with *what* is being transferred (here: performance auditing). As emphasised in section 2.2, performance auditing requires flexibility in the making of choices. It is by nature wide-ranging and open to judgements and interpretation. This is due to the variety and complexity of questions relating to its work. I argue: skills needed to conduct a performance audit report are skills that need time to develop, as they are not learned overnight.

Based on the above discussion about the historical background of performance auditing in OAGZ and the nature of performance auditing, I argue that the goals, activities, and results have been relevant. In order to produce high quality performance audit reports, OAGZ needed to develop their skills related to the performance auditing process. Because the human resources were at such a low level before the Project started it is understandable that improving these took priority over improving the organisational resources. Furthermore, to develop a solid base of human resources is an important step towards the development of organisational resources (Barney and Wright, 1997; Wright and Williams, 1994). It will be easier for OAGZ to customise the performance audit manual, and to design training systems and well-developed quality assurance if they encompass a solid base of human resources. Studies of the introduction of performance auditing to the Office of Auditor General of Botswana (OAGB) support the argument that well-developed human resources are

vital. Studies revealed that an important factor for the great success of OAGB was the on job training provided by the Auditor General of Pakistan (AGP). Through the stationed performance audit managers from AGP, OAGB's staff developed their human resources. From 2003 and onward OAGB had reached a high level, and they started offering professional support to other SAIs in the region (Msoka, 2008, p. 28).

From a theoretical standpoint it is vital that organisational resources are given more attention in the future. As OAGZ, with the help of OAGN, seems to have built up a solid base of human resources, I argue that the focus must now be directed towards organisational resources. The importance of organisational resources must be viewed in the context of sustainability (cf. section 3.1.2). Although the Project to a large extent has succeeded in regards to human resources, this somewhat one-sided focus has been at the expense of the sustainability. Interviews with respondents in PAS reveal that the knowledge is not sufficiently spread to new staff. Respondents who came after or in the end of the LTA's stay indicated that they had less knowledge than those who had undergone training. They also called for formal training systems and manuals in order to make up the "knowledge gap". Just as human resources influence organisational resources, organisational resources influence the human resources. With well-developed organisational resources it would be easier for OAGZ to develop their human resources (Wilkinson and Gollan, 2001). However, the possibility of developing the organisational resources depends on the resistance and interests of OAGZ's management. This will be discussed further in the explanatory analysis (see section 6.2.3).

Based on the above discussion, the Project is considered to be highly successful in regard to human resources. As for the development of organisational resources the Project has been insufficient. Overall, I argue that the Project has been highly relevant in order to achieve the overall objective. However, I argue that the next step is to give organisational resources a high priority, in order to ensure the sustainability of performance auditing in Zambia.



## 6.2 Explanatory Analysis

Research question two asked to what extent the policy transfer framework can explain the outcomes in the policy transfer between OAGN and OAGZ. Thus, research question two is a matter of the study's internal validity (cf. section 4.4). As stated in section 3.1, the policy transfer framework is somewhat underdeveloped in its claims of causation between variables. However, I argue that the in depth study of the relationship between the explanatory variables and the dependent variables offer me some possibilities for identifying causal tendencies. This has also been the primary aim of my study, to identify *how* these variables from the policy transfer framework can influence a policy transfer, thus filling the gap in the literature (Evans and Davies, 1999).

In this section I apply the concepts introduced in the explanatory framework, to identify the aforementioned causal relationships. Furthermore, I assess the hypotheses formulated in section 3.3.

### 6.2.1 How did the voluntary nature of the policy transfer affect the outcomes?

The empirical review revealed that the policy transfer between OAGN and OAGZ had been voluntary to a high degree. The findings indicated a policy transfer that was located on the lesson-drawing end of the continuum, as the transfer occurred as a result of OAGZ's free choices. The discussion will therefore focus on how the high voluntariness can explain the aforementioned outcomes in OAGZ's human and organisational resources. Lastly, I assess whether *hypothesis 1*, as proposed in section 3.3.1, is corroborated by the evidence.

Performance auditing was introduced in Zambia in 2004. Before the Project, OAGZ only had four to five performance auditors and no performance audit reports had been tabled in Parliament. OAGZ lacked an understanding of what performance auditing involved and how it differed from regulatory audits. Perhaps even more important, OAGZ lacked the necessary skills related to the different stages of the performance auditing process. This lack of skills made it difficult for OAGZ to

produce high quality performance audit reports. As OAGZ was confronted with a dissatisfaction of the status quo of performance auditing and a gap between their aspirations and achievements, they reached out to OAGN for help (cf. lesson-drawing). In 2010 the Project Document was finalised, covering the period of 2010-2014. The document was based on the needs of OAGZ and OAGZ's Strategic Plan of 2008-2012. However, an evaluation of the Project carried out by NAO-Sweden revealed that the annual plans were the documents providing the actual guidelines for the Project's activities.

I argue that the high degree of success related to OAGZ's human resources must be seen in the context of the policy transfer being fully voluntary from the Zambian side. To improve their skills related to the various stages was something OAGZ *wanted* and *sought*, and the policy transfer was carried out on OAGZ's terms. This created a strong incentive for OAGZ to be fully committed in the development of human resources. The commitment proved to be valid at both the management level and the ground level. The two-level commitment of the Project has been invaluable in several ways. Let me elaborate on this argument. If the commitment was found only at the management level, this would run the risk of no changes in the auditors' actual behaviour at the ground level. In other words, *layering* would have occurred. The development of human resources would also be put at risk if the commitment was only found at the ground level. Without the commitment of the management in OAGZ, the ground level would not be provided with the resources needed, in terms of both money and training facilities. Previous studies of the implementation of performance auditing identified "commitment in management" as a crucial factor of success (Msoka, 2008, p. 29). I argue that the voluntary nature of the policy transfer has resulted in the commitment of both the management and ground level, leading to both a formal change and an actual change. This ultimately leads to a *successful change*.

Another reason for why the great improvements in OAGZ's human resources can be seen as a result of the voluntary nature of the policy transfer, is the fact that the policy transfer was adapted to OAGZ's needs. This diminishes the risk of undermining genuine policy learning. More specifically, OAGZ has set the agenda for

how the human resources could best be developed. OAGZ has consistently emphasised the importance of on the job training and the joint audits with the LTA and STAs. My analysis of the success of the policy transfer indicated that these methods were an important explanation for the great outcome in the human resources. If OAGN had set conditions on which methods that should be used, for example requiring that general training should be the main method, the outcome would most likely not have been the same.

Let me substantiate this assertion with an illustrative example. A general SPSS course was carried out through the Project. However, a survey given to the employees attending the course revealed that they had gained little knowledge as a result of the training. They emphasised that assistance in their on-going audit assessments would be more fruitful, which became the preferred approach during the rest of the Project. The aforementioned reasoning is consistent with Collier's argument that genuine change is more likely where domestic processes determine policies (cf. section 3.3.1).

The voluntary nature of the Project can also explain the insufficient outcomes in the skills relating to quality assurance (part of the human resources), and the insufficient outcomes in the organisational resources. Although the Project Document indicated activities relating to the production of a performance audit manual, this was not followed up in the annual plans. As for developing skills in quality assurance and developing training systems, this was not mentioned in any of the documents. The Swedish assessment of the Project revealed that there was a gap in expectations between OAGN and OAGZ regarding OAGN's involvement in the organisational resources. The management in OAGZ has seen the Project as a way of increasing the skills at the individual level, but not as a way of developing OAGZ's organisational resources. OAGN, on the other hand, has had the ambition to contribute on both the individual and organisational level. However, because the Project has been fully voluntary, OAGZ's view has taken precedence.

I argue that even though OAGN's voluntary strategy has failed to ensure the development of OAGZ's organisational resources, the alternative strategy would not have been a better option. Imagine that OAGN had adopted an aid conditionality strategy, saying that they would only provide OAGZ with an LTA and STAs if they

were allowed to interfere at an organisational level. If OAGZ agreed to this there would be the risk that OAGZ only developed the organisational resources to create an image of compliance. Thus, creating the risk that OAGZ would revert to their old ways of doing things when OAGN diverted their attention. If OAGN had pushed for involvement in organisational resources when OAGZ did not want this, the result would likely have been a lack of commitment to and ownership of the new policies. Together this would have provided the risk of an institutional change in the form of *layering*.

Furthermore, an aid conditionality strategy could have hampered the relationship between OAGN and OAGZ on a more general level. By forcing OAGZ to carry out activities they did not want to engage in, there is a risk that OAGZ would perceive OAGN in another way. From being seen by OAGZ as a *partner*, OAGN could be seen as an *enforcer*. This could again have affected OAGZ's trust in OAGN, affecting their interaction relating to the development of the human resources as well. A lack of trust could subsequently have resulted in a lower degree of success in relation to the human resources.

*Hypothesis 1* proposed that: "If OAGZ is the prime mover of the policy transfer (through lesson-drawing), high values of human resources along dimensions 1 and 2 and high organisational resources along dimensions 1 and 2 will be the result". The above discussion gives reason to partially confirm hypothesis 1, as OAGZ was the prime mover of the policy transfer and high values of human resources duly ensued. The fact that the Project was voluntary is on the contrary a reason why the development of organisational resources was not successful.

### **6.2.2 How did OAGZ's formal independence affect the outcomes?**

OAGZ enjoys decision-basis independence on which audit objects to review, how to review the audit objects, and which conclusions should be drawn from the audits. I argue that this is a precondition for developing skills relating to the pre-study and analytical stages. If OAGZ did not have decision-basis independence, they would probably not have received the learning from OAGN. Because if OAGZ had known that they could not utilise these skills at any rate, the results would likely have been a

*rejection.* Because if one cannot expect a formal or an actual change, why then bother attempting to implement the changes? If OAGZ did not have decision-basis independence, there would have been no space for them to utilise their prospective skills. If the government imposed on them what to audit, they would have no use for developing their skills in selecting audit objects. If the methods used for auditing were imposed on them, OAGZ would perhaps not have been able to use their prospective knowledge of qualitative and quantitative methods. If OAGZ was only allowed to use documents in their auditing, then what would be the point of developing their interview skills? Finally, why learn how to interpret data and draw the proper conclusions, if they were not permitted to draw their own conclusions in the first place?

Although OAGZ has decision-basis independence, they lack financial independence. This affects the development of human resources in several ways. First of all, if OAGZ does not enjoy financial independence this will affect the actual degree of decision-basis independence. If the government has control over OAGZ's budget they can use this power to implement economic sanctions towards OAGZ, leading to cautiousness in the way OAGZ conduct their work. This could affect to what degree OAGZ utilises their developed human resources. Respondents from The Post, parliament committees, and Transparency International Zambia indicated that although they rely on the selection criteria mentioned initially, OAGZ do not choose the most controversial policy areas. Furthermore they stated that OAGZ was somewhat cautious when drawing conclusions. The respondents argued that the lack of financial independence was the main reason for this behaviour. When I asked one of the respondents in the parliament committees whether he/she was satisfied with the performance audit reports, he/she stated the following:

Not entirely. [OAGZ] is not financially independent. The government, the one who is being audited by [OAGZ] provides the money. What is the result then? [OAGZ] does not dare to audit everything they want to audit, and they do not want to draw too controversial conclusions. I can understand that, because then they would risk getting less money in the future, which gives them even less freedom. We require an institution where [OAGZ] has financial independence, because only then they can really serve their function.

It is understandable that OAGZ shows some caution, as economic sanctions would affect how many employees they could afford, and how many performance audit reports they can afford to produce. Furthermore, economic sanctions will affect how extensive their performance audit reports can be, thus affecting the accuracy of their findings and conclusions. The respondents from OAGZ acknowledge the consequences of not enjoying financial independence, and emphasise that this needs to change. Although they recognise that the lack of financial independence can create caution in the way they carry out their work, they are consciously trying to reduce this effect. The following statement can illustrate this:

We are of course afraid that the Government will make budget cuts, and to some extent I think this affects the way we carry out our work, in the way that we sometimes use caution. But I must stress that we are an independent institution and do not take orders from the political level. We try not to be cautious. For example, if we were only cautious we would not have done an audit on [the CDF] (Constituency Development Fund). Corruption was revealed and our conclusions may be seen as controversial, still we are going to table it in Parliament (respondent from PAS).

OAGZ also lacks recruitment independence. This affects the development of human resources because OAGZ has employees without the most suitable educational background for conducting performance audit. Most of the auditors in PAS have a background in accounting and not in social scientist. According to INTOSAI, “the ability to recruit the right staff is a decisive factor in performance auditing” (2006, p. 23). The Project has led to great improvements; however there are reasons to believe that the training would have been even more effective towards a staff with a more suitable education background. Employees with a background in the social sciences would be in a better position to learn performance auditing more effectively. There is also reason to believe that the improvements found in the human resources would have been more sustainable, as a deeper understanding would have been likely. The negative consequences of not enjoying recruitment independence was emphasised by respondents from both OAGN and OAGZ. One respondent from PID stated the following argument:

It is problematic that we can't recruit our own people, this hampers a long-term perspective of performance auditing. It has been my argument that we should

recruit social scientists. People with research background, because they can quickly learn from [OAGN]. Unfortunately what has been done is that we have had to pick people with a background in accounting, and accountants are trained to think in a closed box. (...) My view is that if we were allowed to have our own recruitment policy our human resources would have been even more effective, and this would also be a good solution for spreading knowledge.

*Hypothesis 2* proposed that: “If there is a low degree of formal independence, low values of human resources along dimensions 1 and 2 will be the result”. The above discussion gives reason to reject the hypothesis. The empirical findings revealed a medium to low degree of formal independence. OAGZ’s human resources have nonetheless developed to a high degree. I argue that a potential explanation for this is that decision-basis independence is more important than financial- and recruitment independence. OAGZ showed some caution because of the lack of financial independence, but the decision-basis independence reduced this effect. The lack of recruitment independence may have unnecessarily prolonged the process of developing human resources. It can also be a challenge toward the sustainability of the results. However, OAGZ was still able to develop the human resources to a high degree.

Even though OAGZ has improved their human resources to a large extent, the medium to low degree of formal independence is likely to affect the continued progress of OAGZ. This detrimental situation will continue as long as OAGZ does not have financial- and recruitment independence. I argue that for the future it would be fruitful if OAGZ in cooperation with OAGN advocated for a legal framework ensuring financial independence. OAGZ could make use of OAGN’s knowledge and expertise in order to propose an amendment bill, and in their interaction with the political level. It shall be stated that the cooperation with OAGN cannot lead to change alone; political will is a prerequisite. However, the findings from the sensitisation programme towards Parliament suggest that OAGZ was given more legitimacy from the political level when OAGN was involved in the interaction, thus enhancing the political will.

### **6.2.3 How did OAGZ's Administration Culture affect the Outcomes?**

The administration culture concerns the impact of the *informal* context on the outcomes in OAGZ's human and organisational resources. The empirical analysis revealed that OAGZ inhabits a high level of political neutrality and a medium level of power distance. I now elaborate on how these results have affected the outcomes in human and organisational resources. The power distance variable explains the outcomes in both the dependent variables, while the political neutrality variable only explains the outcomes in OAGZ's human resources.

As mentioned initially, an underlying principle of performance auditing is that the SAI is politically neutral rather than politically biased. Had OAGZ not been politically neutral it would have been very difficult to develop its human resources, as the administration culture would not have been compatible with this underlying principle. Had they not been politically neutral, one could expect that OAGZ would not request help from Norway to develop skills that necessitate political neutrality. The result of this would have been no formal or actual change, and thus a rejection. Another potential scenario would be for OAGZ to request for assistance and announce that they would make a formal change. However, the lack of political neutrality would have made the introduction of actual changes insurmountable, thus resulting in layering. If OAGZ had lacked political neutrality, they could not have played the role of public watchdog, or developed the necessary skills for this role. The reason for this is that the skills related to the different stages of the performance auditing process presuppose neutrality. One shall choose audit objects based on certain politically neutral criteria, collect data in a politically neutral manner, analyse the data and draw conclusions neutrally, and one shall be neutral when tabling reports in Parliament. Therefore, it was exceedingly positive that OAGZ was in fact politically neutral. All respondents agreed that this was the case. Even the interviewed journalists and NGO-workers, who generally take great pride in being politically neutral themselves, concurred in the fact that OAGZ is politically neutral. They also expressed the notion that the political neutrality of OAGZ was an important precondition for their success. Without this in place, OAGZ could not be the public watchdog and guardian of good governance that they are.



*Hypothesis 3* proposed: “If there is a high degree of political neutrality in OAGZ a greater chance of improvements in human resources along dimension 1 and 2 will be the result”. Based on the discussion above, the hypothesis is confirmed. OAGZ’s high degree of political neutrality is an important explanatory factor for why both formal and actual change occurred, thus resulting in a *successful change*.

As with political neutrality, power distance relates to compatibility. As mentioned in section 3.3, the concept relates to compatibility at two levels. First, is the administration culture compatible with the nature of the performance auditing process? Second, is the administration culture compatible with the underlying idea of how a policy transfer process is implemented?

The performance auditing process requires that the individual auditors make a number of choices and trade-offs during the process. As OAGZ inhabits a medium level of power distance, there is reason to assume that it can be difficult for, say, junior auditors to make decisions without approval from a higher level, such as principal auditors, the Deputy Director, or the Director. The danger then becomes that the human resources that have been developed are not optimally utilised. For example, if an audit team has a leader who has not undergone the training, but many auditors on a lower level who have; it can be problematic for them to suggest constructive alternatives to their leader. This is because the norm in OAGZ is to a degree that the lower level staff to a less degree should participate in decisions in the same manner as those higher up in the hierarchy. Interview data shows that tasks are often completed on command from people further up in the chain, and that proposing one’s own input can at times be difficult. However, the data is ambiguous, as in some cases there is room to offer suggestions. One respondent from PAS stated the following:

I think when we are in a team or as a unit some of those barriers are broken, if my junior officers seem to know a bit more I am going to give him freedom to go ahead, he can take the lead and guide me.

Several respondents pointed out that the degree of participation in the decision-making is more of a question of individual choice. In some cases there will be little room for participation, while in other cases there will be a large room for

participation. It was argued amongst the respondents that it depends on the person you relate to.

A performance auditing process requires a further quality assurance. In OAGZ, this task is assigned to the Deputy Director of PAS, the Director of PAS, and the Editing Committee located in PID. It is especially the relationship between PAS and their auditors, and PID that becomes problematic due to the power distance. Interview data shows that auditors in PAS to a certain degree perceive that they can participate in decisions during editing meetings, but they also underline that it is difficult as a result of the power relationship. The consequences of the fact that the Project has provided training to ground level staff in PAS, but not to the Editing Committee, are therefore rather challenging. Let me elaborate. The staff on the ground level is the ones who inhabit the knowledge and skills, but these are not always utilised optimally due to the staff's hierarchical relationship to PID. There is a further obstacle for reaching the overall objective of producing high quality reports. This obstacle is the fact that the ones who shall ensure the quality assurance of the reports do not have the necessary skills required for performing the task to a satisfactory degree. This has consequences both for the quality and efficiency of the work. On repeated occasions it has been pointed out that the lack of skills in the Editing Committee has created delays in tabling the reports in Parliament. The purpose of performance audit reports is to promote good governance, accountability, and transparency. This purpose is put in jeopardy when the reports are delayed, as OAGZ then no longer remains an agenda-setting actor.

*Hypothesis 4* proposed: "If power distance is at a high level in OAGZ, and OAGN only contributes with development of human resources at the ground level, low utilisation of the acquired knowledge will be the result". The hypothesis is partially confirmed. Within PAS, the human resources are seemingly utilised relatively well. But when it comes to the relationship between PAS and the Edit Committee, the above discussion reveals an important issue. The developed human resources in PAS are not utilised appropriately due to the lack of development in PID.

The medium level of power distance in OAGZ' also affects OAGZ's relationship with OAGN. Because OAGZ holds a medium level of power distance it

becomes difficult for OAGN to be involved at the organisational level as it challenges the position of the employees located at a high level in OAGZ. To develop human resources is a matter of developing the skills of the ground level staff. To develop organisational resources on the other hand, is a matter of decisions taken on the management level. For OAGN to overtly request to help develop this could appear threatening to the management's authority in OAGZ. They may perceive this as an indictment towards the work they themselves have been doing as leaders. In administration cultures with a high power distance, there is little room for others to have opinions on what the management should think or do. To a certain degree this is also the case for OAGZ. Therefore, the power distance does not contribute to a cooperative culture with OAGN. It has thus been difficult to achieve formal changes, as this would indicate a diminished authority for the management of OAGZ.

However, several respondents from OAGZ mentioned a staff member from OAGN, who had been involved in the RIDP cooperation for many years prior to the evaluation period. This expert clearly developed a leading role and got to know the institution and OAGZ colleagues well, and thus he was also invited to take part in the development of organisational resources. Respondents from PAS pointed out that the main reason behind this extended involvement was that the person did not suggest formal changes, but had operated on an informal level, and in this manner been able to bring to bear some informal changes. Tips and advice were given informally, and thus avoided threatening the hierarchy. If an employee of OAGN was stationed to develop organisational resources it would have been difficult, as it would not have fit easily into the hierarchical system of OAGZ. This might help explain why OAGZ has not desired help in developing their organisational resources.

The auditors from PAS also pointed out that the hierarchical position of the LTA was problematic. He was above the auditors, but below the Deputy Director and the Director of PAS. Additionally, he was below those in PID and the highest level of management. This might have made it more difficult for the LTA to put pressure on activities related to the organisational resources, such as the implementation of the work on the performance audit manual. When I asked a general question about what

the main challenges of the Project had been, one of the respondents from PAS stated the following:

The only challenge I can think of is the position [the LTA] was put as a technical advisor. So he would discuss a lot of things with us in the audit teams. For example on several occasions we discussed the need for a manual. We learned a lot, but I don't know in what level our top management were learning and understanding the need for a manual. He had no opportunity to push for changes because he was not part of management, he was kind of part of us at the ground.

The future of performance auditing in Zambia is as mentioned before a question of the commencement of the development of the organisational resources. The above discussion shows that whether the organisational resources are developed is dependent upon the interests and prioritisations of OAGZ's management. It is clear that this is something that must be initiated by the management itself, and not something that can be imposed from external actors. That being said, I hope the focus this analysis has put on the risks related to sustainability will contribute to an increased understanding of the necessity of organisational resources. This realisation might in turn lead to the prioritisation of these important resources. I argue that these insights provide a valuable contribution to the policy transfer framework. The framework is traditionally oriented towards which actors are involved in the process and the consequences this leads to. My analysis shows that one must also take into account the *relationship* between the different actors, as this too has influence on the outcome of the policy transfer.

*Hypothesis 5* proposed: "If power distance is at a high level in OAGZ, low organisational resources along dimensions 1 and 2 will be the result". The hypothesis is confirmed. Additionally, it appeared that power distance also affected the human resources dimension of "skills in quality assurance", as those who performed the quality assurance were located at a high level in the hierarchy.

It should be mentioned that in addition to power distance as an explanatory factor for the lack of organisational resources, it was pointed out by some respondents both in PID and PAS that *trust* was an important factor. OAGN has had frequent replacements in the project coordinator position, as much as four different people have

held the position to date. This is something that has affected the development of OAGZ's trust towards OAGN. Several respondents mentioned that the reason the previous LTA was able to involve himself more in the development of organisational resources, was due to trust. He was there for a long period of time, and was thus capable of building the necessary levels of trust to engage in an informal involvement in the organisational resources. I recommend for trust to be studied more closely as a variable in the policy transfer framework.

## 7 Conclusion

The aim for my thesis has been to analyse the policy transfer between OAGZ and OAGN in the conduct of performance audit. More specifically, I have studied the development of OAGZ's human and organisational resources through the Project with OAGN. In addition, I have analysed to what degree selected variables of the policy transfer framework explain the outcomes in OAGZ's human and organisational resources. I begin this chapter by summarising my findings and answering my two research questions. Then I reflect upon to what extent the findings and arguments derived from this thesis are important in a wider sense, beyond the empirical limits of the OAGN-OAGZ case.

*The first research question asked:* To what degree has the policy transfer between OAGN and OAGZ in the conduct of performance audit been successful? In answering research question one I argue that the policy transfer has been successful to a relatively high degree, due to the great improvements found in OAGZ's human resources. During the thesis I argued that a successful change had occurred in terms of the human resources. Through the Project OAGZ had gained the skills and confidence needed for carrying out the different stages of a performance auditing process. In this way OAGZ has improved its capacity for carrying out high quality audits, and thereby promoting transparency, accountability, and good governance in the management of public funds in Zambia (cf. the overall objective). I argued that the improvements in skills and confidence had been an important precondition for the increase of audit coverage, and an increase in the number of audit reports being tabled in Parliament. I argued that the sensitisation program aimed at Parliament with the assistance of the LTA had been vital for OAGZ in the communicative stage.

Although almost all of OAGZ's skills had improved I pointed out that that the skills related to the quality assurance had not evolved, more specifically a rejection had been the case. Interview data revealed that the employees in the Editing Committee, the Deputy Director of PAS, and the Director of PAS lacked the knowledge and competence necessary to fulfil the quality assurance function in a proper manner. I argued that this was problematic for two reasons. Firstly, the

interview data indicated that the insufficient skills led to delays in the tabling of reports in Parliament. This subsequently hampered OAGZ's function as an agenda setter and as the public watchdog. Secondly, the lack of competent skills in quality assurance may also hamper the quality of the audit reports.

The fact that the outcomes in OAGZ were deficient makes me however unable to assess the policy transfer as fully successful. I argued that the positive outcomes found in the human resources are put at risk without a training system and a performance audit manual (organisational resources). This was identified as a problem of sustainability. I argued that organisational resources was a precondition for further development of OAGZ's human resources. Acknowledging the reciprocal relationship between human and organisational resources, I also argued that well-developed human resources were a precondition for developing organisational resources. In this light, the great development in OAGZ's human resources can be seen as the first step towards the development of their organisational resources.

Acknowledging the role of "policy transfer" in the Project, the *second research question* asked: To what extent does the policy transfer framework explain outcomes of the policy transfer between OAGN and OAGZ? I argued that the selected variables from the framework had a strong analytical utility for understanding the outcomes of the Project. The high degree of improvements in the human resources was attributed to the voluntary nature of the transfer. In addition, the medium level level of power distance and the voluntary nature of the transfer partly explained the insufficient results in the organisational resources. In this manner the study illuminated the importance of the degree of contextual compatibility, in the form of a compatible formal context (cf. formal independence) and a compatible informal context (cf. administration culture). The importance of the type of policy transfer strategy (voluntary vs. coercive) and its attendant consequences was also highlighted.

In the methodology chapter I presented some theoretical contributions that emphasised that though not *perfectly* representative of the population, findings from a case study might have transferability to some similar cases of the population. Based on this assumption I now discuss to what extent the findings and arguments presented

in this thesis can be generalised. The discussion is directed towards generalisation on two levels.

The first level concerns whether the findings and arguments presented throughout the thesis can be transferred to the population. The policy transfer between OAGN and OAGZ can be seen as a *typical case* of the following population: “policy transfer of performance auditing in sub-Saharan Africa”. I argue that five lessons have transferability for similar cases of the aforementioned population.

First of all, *a solid base of human resources is imperative* for conducting high quality performance audit reports. This study argues that the great improvements in OAGZ’s human resources have been an important factor for reaching the overall objective. Secondly, *the approach should entail a long-term perspective*. Because of the flexible nature of performance auditing, the skills related to the process have to be developed over time. I argue that actors engaging in this type of policy transfer must acknowledge this characteristic of performance auditing. Furthermore, the actors should draw lessons from my findings about which training methods are the most effective. It appears that on the job training and joint audits are more effective methods than a more general training. This is especially true when engaging with employees lacking the most suitable educational background.

A third lesson to be drawn is that *a voluntary transfer approach should be adopted*. I argue that a voluntary approach leads to the commitment necessary for creating a successful change. In addition, such an approach builds trust between the actors involved in the policy transfer. Trust, in turn, will lead to a good dialogue that contributes to the most constructive solutions for achieving the objective. Even though a voluntary approach may lead to insufficient organisational resources in the short term, I argue that this is the best approach for the long-term development of organisational resources.

Fourthly, an *assessment of the context* should be carried out before engaging in the policy transfer. This lesson draws on the insight from the policy transfer literature that both the formal and informal context matters. An assessment of the SAI’s level of formal independency should be conducted. I argue that if the SAI holds a low level of formal independency it would be both useless and difficult to develop the human



resources. Before commencing the development of human resources, the actors should first work towards enhancing the SAI's formal independency. Furthermore, an assessment of the SAI's administration culture is of great importance. I argue that if the SAI is politically biased it would be impossible to develop the skills related to performance auditing as these presuppose political neutrality. Additionally, in SAIs with a high level of power distance it is important to engage all the levels of the organisation if the resources developed on the ground are to be utilised optimally. Knowledge about the power distance in the SAI is also important as it affects how the actors involved in the policy transfer relate to each other.

The fifth and last lesson that can be drawn from the study is that *organisational resources ensure sustainability*. Although it might be right to focus on the human resources in the establishment phase, the study has shown the importance of addressing the organisational resources as well.

The second level of generalisation concerns whether the findings and arguments presented throughout this thesis can be transferred to an even higher level. Can they be transferred to policy transfers in general? It is undoubtedly more problematic to draw firm conclusions on this more general level. Nevertheless, I argue that this study provides important findings and arguments, which actors engaging in policy transfers could make use of in the future. These can be summarised into two lessons. *Firstly*, an impact assessment of choosing a voluntary or coercive policy transfer should be carried out. Because this thesis takes the form of a case study, I lack the basis for claiming that a fully voluntary transfer is the most suitable solution in all instances. However, what I can argue is that the policy transfer strategy affects the outcome of the transfer process, and must therefore be considered. *Secondly*, an assessment of the target's formal and informal context should be conducted. This thesis has highlighted the importance of context and the ways context can affect the outcomes of a policy transfer both positively and negatively.

In closing, I recommend that further research on the policy transfer between OAGN and OAGZ be carried out, as the policy transfer is still on going. A thorough assessment of the sustainability of the great improvements in the human resources is needed. The mechanisms that will allow the development of OAGZ's organisational

resources are still unfolding. A closer examination of the “trust variable” identified at the end of my analysis could add valuable information as well. Concerning the future theoretical development of the policy transfer framework I suggest that further case studies of policy transfers are carried out. Only in this way can firm conclusions be drawn on the causal mechanisms between the explanatory variables and outcomes of the transfer process. For example, it would be highly useful to examine a policy transfer that has adopted a coercive strategy and assess consequences on the transfer and its type of institutional change. It would also be useful to choose a case with a non-compatible formal and informal context, and examine which consequences this would have on the transfer and its type of institutional change.

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## Appendix 1 List of respondents

Unit	Number of respondents
The Office of the Auditor General of Norway (OAGN)	7
The Office of the Auditor General of Zambia (OAGZ), Planning and Information Directorate (PID)	4
The Office of the Auditor General of Zambia (OAGZ), Performance Auditing Section (PAS)	11
Parliament Committees	7
The Post	2
Transparency International Zambia (TIZ)	2

# Appendix 2 Introductory letter to respondents



UiO • **University of Oslo**

## **Request for your participation in a research project:**

### **Aid and institution building; a case study of the cooperation project between the Office of the Auditor General of Norway and the Office of the Auditor General of Zambia**

I hereby invite you to participate as a respondent in my ongoing research project about technical assistance and institution development within the Office of the Auditor General of Zambia (OAGZ). The topic is seen within the context of the Office of the Auditor General of Norway's (OAGN) development work. An overarching theme of the research is to explore how easily institutional mechanisms can be established. To gain insight about the topic I strive to interview representatives from the OAGZ and OAGN, and MP's.

The interview will be conducted as a semi structured conversation with duration of approximately one hour. If you agree to participate as an informant you can still withdraw participation at any time. The data collected will be treated in confidentiality and interviewees referred to anonymously in the final thesis. All data will be deleted after the end of the project. The research is conducted independent of the Norwegian government and the Office of Auditor General of Norway, and they will not access the data.

It's important to note that whether you choose to participate in the study or not this will not have consequences in your relationship with your employer or your employment.

The research is part of my degree and masters' thesis at the institute for Political Science at the University of Oslo. The study is expected to be finished within June 2014. The data stored on private computer up to 5 years, with the exception of the data material that touches anonymous informants, which will be kept in a safe at the Institute of Political Science at the University. This thesis will be written in English and published on the Internet, and you will be provided with a link to the final publication if desirable.

If you have questions or remarks, please do not hesitate to contact me at [maiken.ek@gmail.com](mailto:maiken.ek@gmail.com) or my supervisor Jostein Askim at [jostein.askim@stv.uio.no](mailto:jostein.askim@stv.uio.no). The project is approved and registered at the Norwegian Social Science Data Services (NSD).

Sincerely yours.

Maiken Patricia Ek

# Appendix 3 Interview Guides

## Included in all the interview guides

*Opening phrases* [Repetition of information provided in the informational letter]

- Present myself and the project briefly.
- Ask if the conversation can be taped. Clarify that the data will be treated anonymously and deleted after the end of the project.
- Clarify that they can withdraw from the interview anytime they like.
- Clarify that the project is independent of the Norwegian government and OAGN, and at that they will not access the data.

## Interview guide 1: OAGZ and OAGN

*Questions related to human and organisational resources*

- Why do you think the project was introduced?
- What has been the purpose?
- In your view, what are the main successes of the Project?
- In your view, what are the main challenges of the Project?
- To what degree has your different skills relating to the conductance of performance auditing been developed?
- Can you elaborate in which ways these skills have been developed?
- How was the cooperation activities implemented?
- In what ways do you think the approaches were suitable for developing your skills?
- What has been done in relation to organisational resources such as audit manual and training systems?
- To what degree do you feel the focus on the organisational resources have been sufficient?
- To what degree do you think the Project is sustainable?
- TO what degree would you say that the ones who have not undergone training with OAGN are at the same skill-level as the ones who have undergone training?

*Questions related to voluntariness*

- To what degree would you say that the project has been voluntary from the Zambian side?
- Who were key actors in the initiation of the Project?
- Did you ever feel threatened by the Norwegians?

- To what degree did the Norwegians impose?

*Questions related to formal independence?*

- To what degree do you as an office decide what should be audited?
- Do you have any selection criteria?
- Can you elaborate on the selection criteria
- To what degree do you as an office decide how to audit and which conclusions to draw?
- To what degree are you financial independent?
- Who decides which staff you can recruit?

*Questions related to administration culture*

- Can you describe OAGZ as an institution?
- What are the basic features of this culture? What values and norms are important?
- Do they contradict with what OAGN wish to promote?
- Do you think OAGZ's culture is compatible with the Norwegian administration culture?
- How is the hierarchy in OAGZ?
- To what degree do junior officers have high respect for seniors?
- To what degree do subordinates expect to be consulted before decision is made?
- In OAGZ, to what degree do you feel people high up in the hierarchy do not listen to anybody in the workplace?
- In OAGZ, to what degree do subordinates expect to be told what to do?
- To what degree should OAGZ always seek political directives for starting initiatives?
- To what degree would you say that neutrality and objectivity is important values in the conduct of OAGZ's work?
- Is it an advantage/disadvantage if OAGZ share the political view of the ruling government?
- To what degree are OAGZ neutral in relation to political parties?
- To what degree do you think OAGZ should be neutral in relation to political parties?
- To what degree do you think technical consideration must be given more weight than political factors?

## **Interview guide 2: The Post and Transparency International Zambia**

*Questions related to human and organisational resources*

- Are you aware of the cooperation and OAGZ and OAGN?

- To what degree do you feel that OAGZ has enhanced their capacity in order to produce high quality audit reports?

*Questions related to political neutrality vs. political biased*

- How would you describe OAGZ as an institution?
- Which values and norms do you feel are important for OAGZ in their conduct of the performance report?
- The aim to OAGZ and performance audit is to perform important functions of accountability and integrity in Zambia. What is your perception of its performance? Do OAGZ serve its function?
- Their aim is to be neutral, objective and independence. To what degree do you think these values are followed?
- Do you consider OAGZ to be your ally in exposing bad governance? If so, how does that work?

*Questions related to formal independence*

- To what degree would you say that OAGZ enjoys formal independence from the executive branch?
  - Financial independence?
  - Recruitment independence?
  - Decision-basis independence?

## **Interview guide 3: Parliament Committees**

*Questions related to human and organisational resources*

- Are you aware of the cooperation and OAGZ and OAGN?
- To what degree do you feel that OAGZ has enhanced their capacity in order to produce high quality audit reports?

*Questions related to political neutrality vs. political biased*

- How would you describe OAGZ as an institution?
- Which values and norms do you feel are important for OAGZ in their conduct of the performance report?
- The aim of OAGZ and performance audit is to perform important functions of accountability and integrity in Zambia. What is your perception of its performance? Do OAGZ serve its function?
- Their aim is to be neutral, objective and independence. To what degree do you think these values are followed?

*Questions related to formal independence*

- To what degree would you say that OAGZ enjoys formal independence from the executive branch?

- Adequately autonomous in relation to
  - Financial independence?
  - Recruitment independence?
  - Decision-basis independence?

*Questions about the communicative stage of the performance auditing process*

- Can you explain how the process goes on when the reports are tabled in Parliament?
- Are you aware of the sensitisation program that has been carried out?
- If yes, to what degree do you feel these have helped you and others MP's to understand performance auditing?
- To what degree does the increased knowledge on performance auditing affect the tabling in Parliament?
- Can you describe how you perceive the communication with OAGZ

*Questions related to reasons for why Parliament Committees pay attention to the reports*

- What are the main reasons for why you pay attention to these reports?
  - Better sense of the issues? Honestly seeking the best course of action?
  - Distrust information from other sources
  - Legitimacy for political action?
  - To find evidence that supports their position. *Political ammunition*
  - Considered as modern and well informed
  - Show which kind of programs are and are not working
  - To address the issue of costs?
  - Keeping up with new ideas